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The Nation's Business

The Challenge of Our Mines
Duty of Leaders of Finance
We Must Not Let Up
Larkin and Massey

A NEW DEAL FOR MINING

AGAIN the sweeping force of an aroused public opinion has asserted itself. Unethical mining brokerage that has taken toll from probably 400,000 Canadian citizens, —toll that may have reached $100,000,000 or more, when losses from the uneconomic gambling that accompanied unethical brokerage are added—that has built fortunes almost overnight for those in the inner ring, that has stemmed the tide of our mining prosperity, that has threatened to despoil industrial, public utility and commodity finance has been smashed.

The Financial Post has no comment to make on the individual mining brokers now awaiting trial. Whether or not they are guilty of having broken any Canadian laws is beside the point. They are entitled to and will have a fair trial. But the menacing system of financial exploitation of a great industry and of thousands of speculative investors, has gone beyond a mere question of law-breaking. Whether it was within the law or not, it was wrong and scandalous. It was wasteful and extravagant. It turned mining speculation into a business of gambling with loaded dice and doped horses. It had to be smashed and it is the opinion as well as the hope of The Financial Post that it has been smashed.

* * *

THE next few months will likely see a virtual moratorium on new mining financing, and a reduction in the amount of exploration and development work. The market condition created by the collapse of the largely artificial prices that resulted from widespread manipulation would have had a similar effect even if events had not taken the recent sensational turn. The mining boom was over, for a while at least, in any event. Let us hope we have no more mining booms accompanied by a similar senseless, unscrupulous exploitation of public gullibility or cupidity.

The shattering of the dream castles of the up and coming young millionaires who conceived and carried out this collossal scheme of enriching themselves by thoroughly unproductive means is a good thing for mining and the country as a whole. An appendix operation is serious and distressing but not quite as distressing as a diseased appendix not removed. We have had the diseased appendix removed from the mining industry and mining finance, and we must anticipate a somewhat extended period of convalescence.

* * *

IT IS to be hoped that out of the lessons of the past and the experience of the present, Canada will be able to develop a new system of raising capital for mining development, for expending that capital to the best advantage in the testing out and opening up of our recognized mineral resources. This is the important task facing mining men and financiers of Canada. It calls for a new public viewpoint on mining finance. There is no need to eliminate the speculative spirit in mining, because mining is essentially a venturesome affair. But the risks involved are so great that every effort should be made to prevent mining from being forced to bear the additional burden of crooked exploitation and unsound methods of finance.

The moral responsibility of the most important bankers, stockbrokers, engineers, and business men to do their part, each one individually, to strengthen the financial side of mining in Canada is apparent. In the earlier days in Canada, scandals of far reaching importance developed from brokerage operations, in the field of banking, industrial and public utility finance. As a result of these, many reforms were instituted and today it is recognized that the financial operations of the country are conducted very largely on a thoroughly ethical and proper basis. The occasional exception attracts attention chiefly because of rarity.

Much remains to be done by legislation directed to the end of making it difficult for persons of inexperience or dishonest motives to conduct financial operations such as conducted in the mining field in Canada. The conference of provincial attorney-generals will be of distinct value in unifying and strengthening the provincial codes in that respect.

Legislation is, of course, inadequate without enforcement. There was lack of or delay in enforcement of much existing legislation that could have curbed recent developments. In fact, the presence of this legislation gave to the investing public a warranted but futile sense of security.

* * *

BEYOND the field of legislation lies the larger and more important field of the experienced financial man of sound judgment whose interest must lie in the promotion of sane development everywhere in Canada. For instance, our banks must sense and assume their responsibility to give direction, as far as it lies within their power, to more clear-cut methods of financing new mines and providing for protected trading in the stocks already outstanding.

Stockbrokers connected with our recognized and established exchanges should interest themselves in mines on a business-like basis and aim to provide facilities for trading in stocks of properties of proven

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MERGER PLANS MAY INCLUDE BRADING BREW

Reports Say Company to Head Brewing Consolidation

PLANS EXPANSION

Current Sales Reveal Increases — Productive Capacity to be Enlarged

From Our Own Correspondent

MONTREAL.—A merger of several Ontario breweries, headed by Brading Breweries, Limited, is said to be under consideration. Details are not available as yet, but it is understood that an announcement may be made shortly. Competition is keen in the Ontario brewing field and a consolidation of firms operating in the province appears to be logical.

Further color is added to the report by the recent increase in the number of common shares of Brading's authorized. This number was raised from 25,000 shares of no par value to 60,000 shares at the shareholders meeting in January; there are presently issued 22,000 shares of common. In addition to this stock there is issued $100,000, 7 per cent, preferred which is convertible into common on the basis of three common for one preferred up to December 1, 1932.

The financial statement of Bradings for the year ended November 30, 1929, showed the company in sound position with sales and earnings in excess of those of the previous year while further expansion being undertaken at the plant will increase production by 50 per cent.

Sales Still Gain

Bradings is continuing to record marked gains in sales during the current year. While December business showed an increase of about 20 per cent over the same period in 1928 it is said that January figures show still further progress. Sales during the last fiscal period were 51 per cent ahead of those of the previous year.

About a month ago Bradings acquired control of the Kuntz Brewery in Ontario which may have been the first step in rounding out the proposed merger. This plant is located in Waterloo, and though a small unit, is said to possess modern equipment. Any further consolidations would place the component companies in a strong position in Ontario. The field has been suffering from over expansion and competition has been exceptionally keen; several companies have shown the effects of over production while one has gone out of business altogether.

Plains Wide Expansion

Bradings has a programme of plant expansion under way which will increase production by about 50 per cent. A larger bottling shop is under construction, increased storage is planned while facilities and a new garage are also provided for. In addition to this a new ale storage cellar is being constructed and the capacity of the fermenting room is being increased.

It is difficult to trace the large gains in Bradings' sales to any definite factor. Since the company is not engaged in export business, it has been free from adverse conditions in that field; consequently the gains have been made entirely in the domestic market. Perhaps the most tangible factor in sales expansion is the wide distribution which has been afforded to its products. These are now available in every warehouse in Ontario, and results of the last year reflect fully the advantages accruing from this situation.

Earnings Were Higher

Though sales in 1929 were up 50 per cent, earnings were higher by over 100 per cent totalling $157,749, and net profits were equivalent to $5.09 a share on the common stock outstanding. A dividend of $2 a share is paid on the junior securities.

No Dividends for Carlings; Profit Small

Carling Breweries will not pay any dividend for 1929. In fact, the report for the year will show only a small net profit, it is said.

It is learned that more than one batch of beer was spoiled. Spoilage of beer in process is an expensive error in itself, besides the loss of goodwill which results from bad beer getting on the market. At least two other Ontario breweries have suffered from this cause in the last year or eighteen months.

On January 20, 1929, the company paid $2 per share in dividends, out of surplus. Profits as shown were $2.63 per share on the 160,007 shares of stock. A year previously, 50 cents had been paid, making $2.50 for 1928. For 1927 the dividend was $1 on earnings of $1.34 per share.

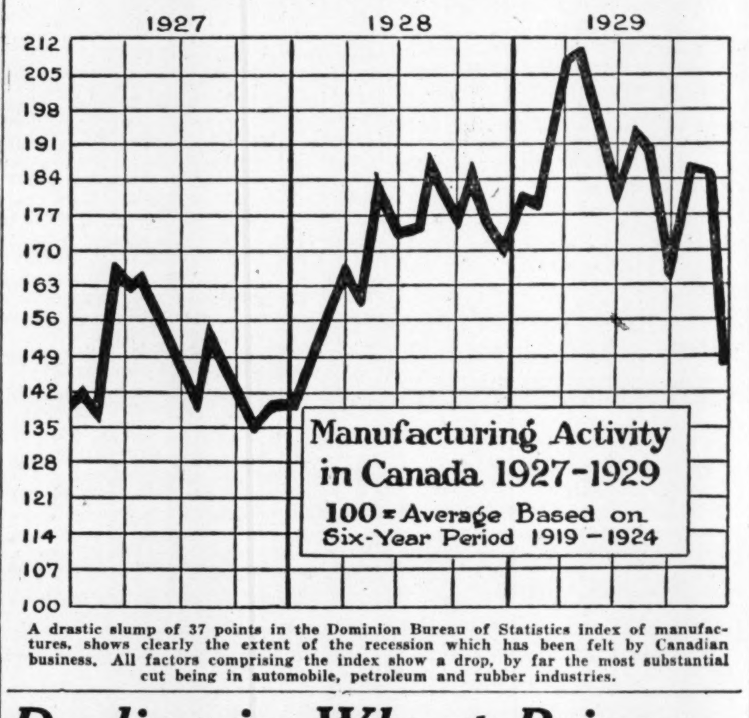
Markets New Brands

Recently the company placed some new brands on the market and it is said that these have been well received. The management, it is said, expects that 1930 will be a much better year than in 1929.

It is said that the Carling export business suffered severely in the summer of last year, but that there has been some revival since. The company distributes its products in Quebec as well as in Ontario and to border points from whence it finds its way to the United States.

Carling stock came on the market in 1927 at $27 per share. The high price was 44, in 1928. Recent sales on the Toronto Curb have been at 4½.

Manufacturing Slumps at Year End



A drastic slump of 37 points in the Dominion Bureau of Statistics index of manufactures, shows clearly the extent of the recession which has been felt by Canadian business. All factors comprising the index show a drop, by far the most substantial cut being in automobile, petroleum and rubber industries.

Decline in Wheat Prices Should Result in Caution in Stock-Market Activity

The unsold wheat crop is the cloud which shadows the outlook for Canadian prosperity. Prices continue to drop and storage costs daily are greater. Hope of selling the crop at a good price is by no means abandoned, but there is no doubt that the wheat pool and the grain trade are not so confident now as they were a few months ago. Meanwhile, world-buyers are buying as little as possible. They are waiting with serenity for the time when it again may be proved that the big holder is the weak seller.

Much of Canada's prosperity is based on wheat. If, in the end, the crop which was small must be sold at prices which are low, the effects will be widespread. Only a bumper 1930 crop with a world-shortage quickly would offset the losses. If losses are occasioned on the 1929 crop, every pool member will feel it directly and the rest of the country indirectly.

Stock Market Hesitant

While many Canadian stocks since November have been selling at prices which make them attractive for persons with patience, the short-term investor and to a greater extent, the trader, are seemingly at the moment well advised to maintain an attitude of watchful waiting. If conditions in the wheat market are seriously to depress domestic trade, the stock market will hardly begin a definite upward movement until economic conditions show definite signs of improvement.

Of course, if the wheat situation improves from the Canadian point of view the outlook for the stock market will be bettered, immediately and immeasurably. But unless the best judges of the wheat market are unduly pessimistic, the prospect for Canada getting a good price for the wheat remaining in Canadian hands is not particularly bright, however earnest, may be the hope.

Otherwise, Market Promising

If it were not for this wheat situation, it could be said that stocks might be bought with confidence. The technical position of the market is excellent. Prices are reasonable in relation to earnings and dividends and, in many instances low in relation to prospects. The New York market, which will continue to supply leadership in the securities markets of this continent, has been gathering headway and the gradually increasing volume of sales indicates a greater degree of public participation than has been the case since the crash of last fall. The Montreal market has reflected the growing confidence in New York.

It cannot be said, of course, that the outlook is so far as the United States is concerned is unclouded. There are still signs of hesitancy and here and there evidences of depression which may last some time. But there is a general inclination to believe that business is not doing badly, although first-quarter results of large corporations in key industries are awaited with more than usual eagerness. Perhaps the most portentous sign is the decline in commodity prices. There has been a pronounced drop for three months in succession. Continuance of this trend will be interpreted as meaning that, for a time, the wealth-creating power of the nation will be curtailed, that corporation earnings in general cannot be maintained at high levels.

Mine Traders Worried

In Toronto, the market for utility and industrial stocks and the leading mines has been affected to a slight degree by the situation in the mining exchange. In some instances, worried holders of mining stocks have sold other issues to raise cash to become outright holders of mining shares. Brokers on the Toronto exchange have been asked to take up, from mining brokers, accounts which do not contain good collateral from the point of view of the bank. In a few cases, worried holders of mining stocks have sold all classes of stocks. This situation, however, will be history in a month or two and will not permanently affect the investment in or trading of utility, industrial and soundly established inter-listed mining shares

Goodyear is Confronted With Decreased Business Throughout Present Year

Profits, Though Lessened, Expected to be on Satisfactory Basis

Owing to the situation which now exists in the rubber industry on both sides the line, where demand for products of this nature have shown a marked decline, the Goodyear Tire and Rubber Company of Canada is not likely to make as much headway in 1930 as has been the case in recent years. Earnings for the fiscal year ending September 30 next, according to those who are in a position to judge, will not be up to the record level indicated in the 1929 period, when the net was equivalent to $20.80 per share of the common. A high executive of the company gave it as his opinion, however, that the earnings would prove to be entirely satisfactory in the circumstances.

The dullest season of the year with the company is usually in the months of October, November and December. The second quarter, embracing January, February and March, is also comparatively dull, but not quite so much so as the first quarter. Due to the fact that production in 1929 had been stayed earlier than usual to admit of a necessary reduction in inventories, the company was compelled to increase its output of tires by 1,000 per day last December and in January the output was further increased by 1,500 per day, bringing the total at the present time up to 7,500 per day. The plant at the moment is working only 75 per cent of capacity but further expansion is anticipated in April, when 8,500 tires will be produced each day, an output that in all probability will be continued throughout the summer season. But conditions will dictate the future course of the management in this respect.

The expectation on the part of those connected with the larger manufactories of automobile tires in the Dominion is that trade on the whole in 1930 will ultimately prove to be somewhat less than was the case in 1929. It is a little early as yet to predict just what percentage of decline will be shown but all of the more important manufacturers in this line are looking forward to a decrease in business.

In 1929 production during the first six months was excessive due to the promise early held out that the year would prove to be the industry's banner twelve-month period. Only a few months had elapsed, however, before it became apparent that buying was to be curtailed. Despite the efforts that were then put forth to bring operations within reasonable bounds, inventories continued to mount higher, with the result that most of the gain registered by manufacturers' earnings in the first and second quarters was lost in the succeeding months.

One of the principal reasons for the industry's failure to show sus-

(Continued on page 2, col. 4)

Premier King Hints At G.T.R. Settlement

From Our Own Correspondent

LONDON, Eng.—Although Canada has refused a fiat to Grand Trunk junior stockholders to take action against the government to recover what they feel to be the value of their shares, the end of the Grand Trunk affair is apparently not in sight. The London press reports that at a meeting here, an enlarged committee of Perpetual First and Second Preference stockholders of the Grand Trunk Railway had under consideration a letter from the Prime Minister of Canada, addressed to a member of the committee, indicating that as regards these two classes, the door is not closed to negotiations for a friendly settlement.

HOPE TO SELL N'FOUNDLAND REID PROJECT

Government Negotiates With Hearst in New York

POWER FROM GANDER

River and Lake May Be Raised 75 Feet; Guarantee and Labrador Rights Probably Involved

From Our Own Correspondent

ST. JOHN'S, Nfld.—The visit of prime minister, Sir Richard Squires, and Hon. P. J. Cashin, minister of finance and customs, to the United States recently in connection with the negotiations for the establishment of newsprint paper production plant on the Gander waters of Newfoundland, revives the hopes in the country which were dashed in 1928, when the negotiations then taking place between the holders of these areas, the Reid Newfoundland Company, and the International Paper & Power Company, came to naught.

The new negotiations are supposed to be between the Reid Company and the Hearst Syndicate, but the Newfoundland government was not satisfied with the bonafides of the syndicate, or that they actually represented the Hearst interest. The recent cable message from New York, contained a denial by the Hearst interests of any knowledge of these negotiations seems to corroborate this. The intermediaries between the syndicate and the Reids have suggested plans for the erection of a thousand ton per day newsprint mill on the Gander. The actual construction of the hydro-electric plant comprises a very elaborate piece of engineering. Gander Lake, situated 30 miles from tidal water, is slightly less than 75 feet above sea level. In the smooth flowing Gander river, navigable its whole length by canoe, no hydro-electric development of sufficient power for such a large mill is possible. The plans for the new development call for the erection of a 75-foot dam at the source of the main Gander river, and the elevation of the lake surface to a similar height. This will back up the water sufficiently to divert its flow by means of a three mile canal junction into the river bed of the Indian Bay river some 25 miles further eastward.

Will Be Lengthy Dam

Within less than a mile of tidal water at Indian Bay the power dam will be erected and a total head of approximately 150 feet thus secured. Another dam at the mouth of the existing Gander river as a "stop-water" will also be necessary.

The level nature of the land on the west or left bank of the Gander River, at its source, will necessitate a very lengthy dam construction on that side, though possibly part of it may be by means of "fill." The erection of the dam at the very source of the stream will thus bring it above the existing railway and railway bridge and not interfere with it as the original plans threatened to. However, it is probable that eventually the railway may run across the top of the dam (as it does at the International P. & P. Co.'s main dam near Deer Lake) thus cutting off a curve of nearly a mile in radius.

A bill passed by the Monroe government in 1928 when the previous negotiations were taking place, included construction of a branch railway to Gander Bay by the government. The present agreement will seek a similar concession to Indian Bay under the new plans.

Increasing the lake level by 75 feet will, of necessity, flood a great deal of territory, as the southern shore of the lake is very flat in parts. It is understood that lines showing the exact delimitation of the new high water line have been cut, and if the contract is approved, logging on these areas will begin simultaneously with construction, so as to assure salvage all the timber possible from the area submerged.

Will Include Labrador Rights

The contract will also include the transfer of certain rights on Labrador, presumably certain leases which were cancelled by the new government in 1928. It is understood these leases are the subject of a test case before the courts, so that their

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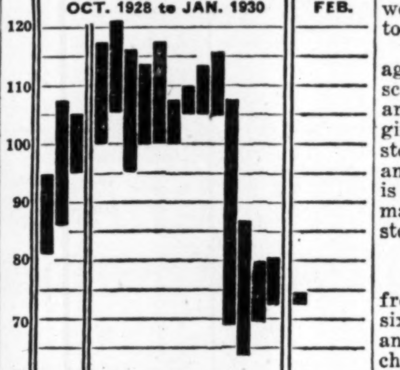
Stock Market



MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Feb. 4	74.7	72.3
Week of Jan. 28	76.5	72.7
Month of January, 1929	118.8	101.0
8 Bank Stocks		
Week of Feb. 4	268	263
Week of Jan. 28	268	263
Month of January, 1929	323	311
10 Public Utilities		
Week of Feb. 4	99	97
Week of Jan. 28	99	96
Month of January, 1929	123	115

If Standard Reforms, It Can Continue to be Leading Mine'Change

Better Elements in Body Have Public Opinion Behind Them in Effort to Carry On

The provision of safe and sound markets for mining shares has become an urgent necessity. It is admitted that a mining exchange, dominated by a group of powerful brokers fighting against reforms in the interest of the public, must be replaced by something better. This something better may easily be the same exchange reformed.

There is an opportunity for the Montreal and Toronto Stock Exchanges, particularly the latter, to provide a wider market for mining stocks than they have in the past provided. Montreal and its curb market have listed very few mining stocks. The Toronto Stock Exchange has listed about fifty mining stocks but outside of Nickel and Noranda has traded in but few. Efforts to widen trading in this section have failed in the face of the more active market on the Standard Stock and Mining Exchange. Members of the Toronto Stock Exchange have placed their mining business through the Standard brokers rather than attempt to find a narrow market on their own floor. The suggestion that the Toronto Stock Exchange should make an honest and concerted endeavor to broaden trading in mining shares on its floor or in a curb market to be established under its wing is worthy of real study by the executive of the Toronto Exchange.

But Where Will It Recruit Specialists?

The position of the Toronto exchange is not without difficulties in this regard. Trading in mining shares requires specialists—firms specializing in mining shares and individuals in the different houses studying the different mining stocks. If the Toronto exchange could attract to a new curb section a number of mining brokers conducting an efficient business it would have the nucleus for such a development. It would probably have to recruit these brokers from the Standard Exchange. But such members of the Standard Exchange as might appreciate such an invitation have an important investment in their Standard seats, an investment which they can hardly toss overboard. Thus immediate action by the Toronto Exchange to set up a big mining section or a curb market for mining shares is difficult.

An easier and better solution would be for the Standard Stock and Mining Exchange to become an effective and powerful force for the promotion of ethical mining brokerage. In fact, on the Standard Exchange itself there is the nucleus for a much stronger organization than this exchange has ever been. If the better elements in the Standard Exchange are successful in eliminating completely and all for all time the practices on the part of certain members that have temporarily brought the exchange under a cloud it is destined to retain its position as the world's largest mining exchange.

Requires Overhauling of Its Own Rules

While the provincial governments are working out new legislation and new regulations to govern the conduct of the brokerage business, the Standard Stock and Mining Exchange has it in its power to completely overhaul its own rules and to tighten up and enforce them in such a manner that bucketing will be stopped, that washed sales will be ended, that manipulation of prices will be finished. The Ontario government has given the exchange a powerful weapon in the internal audit which can be made very beneficial if the exchange members desire.

Prior to recent events the minority of members, who refused to be controlled as to their methods by the truculent Big Five group and the brokers who toadied to the Big Five for the income they made out of it, met with resistance in their every endeavor to have things cleaned up. Now public opinion is back of them. If they can assume the upper hand and direct the exchange along lines of decency and good business, there will be no need to set up new mining exchanges to serve the investing and speculating public.

The Standard stands at the cross roads and the general public is back of those of its members who want it to turn on to the right road.

* * *

Lack Funds to Finance Those Wishing to Take Up Stocks at Mining Brokers

Otherwise Short Covering Would Tend to Make Stocks Move Higher

Traders in mining shares, who have accounts with the involved members of the Standard Stock and Mining Exchange find it difficult to determine the proper course of procedure for them to pursue at the present time. The five largest houses on the exchange, are reputed to control over 75 per cent of the trading in mining stocks and to have between them not short of 40,000 clients. Of these five houses, one, with its affiliated houses, has gone into liquidation. Its affairs are in the hands of a custodian. This has had the effect of suspending trading by its clients. The other four houses have re-opened for business and trading is going on under the watchful eye of auditors appointed by the attorney-general of Ontario.

Obviously all the clients of these houses are not in the same position. Some accounts are barely margined and these clients are in no position financially to put up or raise enough cash to take up all their stocks. Others have paid for their stocks and have not been able to get prompt delivery. Still others are in a position to take up their stocks if they so desire. And a few others prefer not to close out their accounts but wish to continue trading in the current market which offers speculative possibilities for those who can guess it correctly.

Major Market Forces at Work

The technical position of the market for mining shares is very interesting at the moment. The prospects for individual properties and financial conditions generally seem to be the least important influences upon the immediate trend although eventually all the stocks will find their levels—whether above or below present prices—on the basis of these factors. But just now two other influences are at work and they are opposed to each other.

There is still a large short interest in the market, not only the modest short interest for private accounts but the large short interest for brokers and partners, much of it the result of the bucketing of clients' orders. This short interest would spell higher prices if it were the only factor in the situation. Obviously, if an endeavor were made by all the short houses to cover immediately or if they were forced by those who are taking a watchful interest in their affairs to cover immediately a runaway market in many stocks would result. Many shrewd financial men, who a couple of weeks ago were prepared to suggest to investors throughout the country that they should squeeze the brokers who are short now counsel a slower short covering. They feel that a runaway market would start another unsound speculative boom and cause much loss in the inevitable reaction. Also it is felt that if the brokers are forced to face such a situation that they would attempt to fight back by more rigorous action in connection with many accounts weakened by the recent reaction. This is the second important force in the market.

If firm measures were taken to close out accounts that are not fully margined or to raise marginal requirements, a great deal of forced selling would enter the picture to offset the effect of the short covering and also to simplify the short covering.

It would be easy to remove this element from the situation if brokerage and credit facilities outside of these leading offices were sufficient in scope to handle all the business. But the other mining and stock houses are not able to increase greatly their lines on many stocks. When a marginal order is bucketed no bank credit or call loan is involved. But when stock is taken up from a bucketing broker and carried at the bank or with another broker a cash loan has to be arranged. The money for these loans is not forthcoming in sufficient volume to enable many transfers to be made of accounts. Thus accounts are being closed out by the sale of stocks and this offsets the influence of short covering.

See Sixty Days for Clean-up

It is argued that the greatest good to the greatest number will come from a gradual cleaning up of the present situation over a term of about sixty days, during which it is hoped all short transactions can be covered and at the same time weak accounts nursed along to give the clients a chance to get in better position.

It is expected that at least hundreds and probably thousands of accounts will be closed out. A great many have already been closed out or transferred to other brokers. The Financial Post has no information as to the financial standing of any of the individual firms involved but it has been assured authoritatively that they are in good position both from the standpoint of cash resources and of an immediately available supply of stock certificates to meet any moderate pressure from clients for delivery of stocks. If this is true it will facilitate the final adjustment of their affairs immeasurably.

It is pointed out that speculators in mining shares who are extended to the limit of their resources at the present time should aim to protect their better stocks by disposing of some of the less attractive ones. Whether

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MUST CARRY MUCH WHEAT OVER AGAIN

Hopes Fade of Getting Good Price in Current Season

MURRAY SECRETARY

Head of U. G. G. Commission Department Given Important Post With Grain Body

From Our Own Correspondent

WINNIPEG.—The grain markets have suffered a period of extremely heavy depression during the past week. Grain prices are now not only below the levels of this time last year, but below the average prices prevailing on the whole of last year's crop. The cause is the persistent refusal of interests abroad to buy our wheat in any substantial quantity in spite of the fact that we have been steadily lowering our asking price since last July. During that period there has been a total decline in the price of cash wheat of more than 50 cents a bushel and, in spite of all the talk of Europe's need for our supplies, actual transactions have given little proof of such need. In essence the whole of the 1929 crop still remains unsold, with a considerable part still remaining of the carry-over from the previous year. There is nothing yet to indicate that European buying will be on such a scale during the remainder of the crop year to clean up all we have to offer, and the possibility has to be faced of another considerable carry-over into the following year. Holders of wheat have become alarmed at the prospect, and have been letting go their lines, and prices have been steadily forced lower until others could be induced by the apparent cheapness of supplies to become holders.

Short Interest Now

A large short interest has developed on the way down, and the existence of this may act as a supporting factor. In addition our prices seem at last to have been forced into a reasonable relation with Argentine and United States prices, so our wheat should stand a fair chance of sale when Europe really wants to buy in quantities. The Argentine crop estimates continues to work lower, but Broomhall calculates that 110,000,000 bushels may be shipped from that country. The quantity is low enough to give hope that it may not be forced on the market with the same relentless undercutting of prices as prevailed during last year, and also to indicate that the world carry-over at the end of the current crop year should be below last year's levels.

But no statistics can overcome the fact that Europe has not been buying wheat on the same scale as during previous years, due to heavy domestic production during 1929, and also probably to a larger carry-over than was at first suspected. Large production of coarse grains has prevented wheat from being fed to live stock, and the cheapness of rye has induced its use for bread with some resulting displacement of wheat. On top of it all has been the violent prejudice aroused in both Great Britain and the continent against what has been regarded as the attempt of rich North America, through government action in the United States and by the pools in Canada, to exploit the consumers of poorer countries. The British market has been thoroughly disorganized through a long period of use of Argentine instead of Cana-

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CANNERS GAINS MAY BE DOUBLE PREVIOUS YEAR

Profit Higher, While Number of Common Shares Small

Canadian Canners common shares probably will have earned twice as much per share in the 14 months ending February 28 as in the 12 months ended December 31, 1928.

Net profits after depreciation, bond interest and taxes are believed to be about $300,000 in advance of those for the previous fiscal period. Deducting dividends on the first preferred and the maximum dividend of $1 on the convertible second preferred, there will remain for the common probably $2 per share. As a matter of fact, however, the earnings available for the common may be considerable greater, because the present dividend on the second preferred is only 80 cents, and prior to July, 1929, the rate was 60 cents.

There are 364,572 shares of the second preferred and only 136,994 shares of common. Thus, after allowing the maximum dividend for the second preferred, the earnings on the common mount rapidly. The second preferred is convertible into common on a share for share basis.

Expect $1 Dividend

Assuming that the directors plan eventually to take steps which will induce conversion, there will be outstanding 501,566 shares of common. On this basis, the earnings per share for the latest fiscal period probably will be in the neighborhood of $1.20 per share. The Street is expecting that the dividend rate on the second preferred will be increased from 80 cents to $1 and that the common dividend, thereupon as provided in the charter, will be increased from 50 cents to $1.

Canadian Canners has made rapid progress in recent years and the last balance sheet published showed the company to be in excellent position financially. Since then the company has sold its can-making plant for about $1,000,000 cash and this sum, with the normal increase in liquid resources, is expected to have brought the working capital position to something like $7,500,000. This is a growth of not less than $2,000,000 in 14 months.

Price of Goods Strong

In the current year, the company has been fortunate in having fairly good stocks of goods to sell in a year when other canners were suffering from a shortage. This situation has enabled the company to market or have contracted to market its entire pack at good prices.

Floating supply of the stock is said to be small. In the last two or three months it is said that about 8,000 shares of the second preferred and common have come out of brokers' names and been registered in the names of private investors. The stock has behaved very well in the recent markets.

MUST CARRY MUCH WHEAT OVER AGAIN

(Continued from page 1)

dian wheat, and even if this has resulted in the production of an inferior flour, British millers have been learning to get on without Canadian supplies.

Price Outlook Clouded

The immediate outlook for any price that will compensate the West for the small size of its crop last year is not bright, although many traders are hopeful that a point has at last been reached where our wheat may be considered inherently cheap. Barley prices are distressingly low, with an absolute lack of export demand. There is no place to send our exportable surplus, and the relation of present and future prices, with cash barley selling at some eight cents under October, indicates the expectation that large quantities will have to be carried in store into the next crop year. The unusual spectacle has been seen of barley selling at a discount under oats, in spite of the fact that a bushel of barley contains forty-eight pounds against thirty-four for oats.

A considerable number of speculators have been buying barley against sales of oats, in the belief that such a relation could not long be maintained, and that has built up a short interest in oats which might have some difficulty in getting out if domestic demand for oats improves as is expected during the next few months. The current price of barley ought to be extremely attractive to any farmers who can afford to lay in supplies of feed for hogs.

A flurry of interest was caused by developments in mining brokerage circles and the suspension of operations by houses known to be carrying long lines of wheat. It was feared that the tying up of the resources of these firms would result in the failure to meet margin calls from the clearing house on a steadily dropping market. The government of Manitoba made representations to the Ontario government which appear to have resulted in the unlocking of some of these funds. Premier Bracken made some rather mysterious remarks in the Manitoba legislature to the effect that the government of Manitoba was co-operating with the governments of Alberta and Saskatchewan with a view to stabilizing the wheat market.

Murray is New Secretary

James R. Murray who has just been elected secretary of the Winnipeg Grain Exchange, in succession to the late Dr. Magill, is one of the best known men in the grain trade of the West. Since 1915 he has been assistant general manager of United Grain Growers, and his total period of service with that company extended over twenty years, during which time it grew from small dimensions to one of the largest institutions in the grain busness. Born in Limerick County, Ireland, Mr. Murray was educated at an English public school at Reading, and later at Trinity College, Dublin. He came to western Canada when a young man, and shortly after entered the service of United Grain Growers in the Calgary office of that comapny, and later became the head of the commission department of the company at Winnipeg.

NATION'S BUSINESS

(Continued from page 1)

worth or of well-managed, honest efforts of promise. The investor and the speculator must drop the get-rich-quick gambling spirit and select their mining investments as they would select their industrial investments, considering less the market, as they consider more the mine and the men back of it.

The great objective of sound mining finance cannot be reached in a day. England went through experiences such as we have suffered many years ago, and today the Englishman knows more about mining finance than the financier of any other country.

Out of the present difficulties and embarrassments a great opportunity arises.

* * *

A CHALLENGE TO WEALTH

MANY of the outstanding figures of Canada have engaged themselves actively in the development of mineral resources of Canada. Others have refused to invest their time, brains, or money in mining development because they have been thoroughly dissatisfied with many phases of such development over the past few years. The impending correction of the more serious evils which have disgusted these men opens up to them an avenue of public service that may well prove as profitable as it will be exhilarating

Mining, the world over, has thrived on booms although the favorable effect of many such periods of activity and interest have been lessened by the sort of things that have been going on in Canada. The re-action from the most recent mining boom will be the more pronounced because of many unfortunate characteristics of that boom.

It is essential that there should be no slowing up of actual exploration and development in the mining field of this country. Actually work is proceeding from coast to coast on many important developments involving the careful investment of millions of dollars of wisely expended money. This work is in no way endangered by the collapse of the speculative boom because the projects were not initiated as a result of such speculation. But many smaller efforts will be slowed down or closed down.

Real development in the future will be the result of the inauguration of projects similar to those under way at Flin Flon, Great Slave Lake, etc. A vast opportunity for national service is offered to clear thinking business men of courage, integrity, and ability, to undertake further exploration, further development, and the bringing in of further producing mines.

The public excitement that involved gambling with the money of women, of small-salaried heads of families, and of young people with only a few dollars saved up, is to be avoided if at all possible. There is ample capital in Canada to keep mining on the high road to prosperity if those who control this capital see and grasp their opportunities.

* * *

Paper Official

A. E. CADMAN,
who, as assistant secretary of the Canadian Pulp and Paper Association, took a leading part in the Association's recent convention activities.

MR. LARKIN'S ACHIEVEMENTS

HON. P. C. LARKIN, as a public servant, will be remembered chiefly for having accomplished an important advance in the status of the high commissioner of Canada in London. Mr. Larkin lifted the office to ambassadorial prestige and in doing so, gained for his work a recognition of value to Canada. His achievement in arranging with the British government financial settlements that had been overhanging since the war, was a second accomplishment that will be recorded prominently in the record of his career as Canada's high commissioner to Great Britain.

In the ultimate analysis, however, the high honor attained by Mr. Larkin as an able holder of an important public office, should not dim his record as a Canadian business man. He was one of the first of Canadians to show that the United States was not too big a market for a citizen of this country to invade. He had a business outlook that jumped easily over international boundaries, and this later was a factor in his London success.

The probability that Mr. Massey will go from Washington to London suggests the need of careful selection of Mr. Massey's successor in Washington. A business man should be appointed. The embassy staff numbers some very efficient secretaries able to handle any technical matter that may arise. But the broader question of our fiscal and business relations with the United States calls for taetful, and at the same time well-informed handling, such as only a man of rich business experience can give.

GOODYEAR IS CONFRONTED WITH DECREASED BUSINESS

(Continued from page 1)

tained prosperity—in face of the fact that all the surrounding circumstances seem to conspire to make it one of the most profitable lines of business enterprise—is found in the fact that it is tremendously overbuilt, with capacity continuing to grow rather than to contract. Notwithstanding the fact that only about 41 of the 166 casing manufacturing organizations in active operation on both sides of the line eight years ago have survived, the present production capacity of the trade amounts to somewhere between 110,000,000 and 125,000,000 tires per annum, with a probable 1930 demand for around 71.5 millions.

Some manufacturers express the view that the ground lost in the initial six months of 1930 will be more than recovered in the final half of the year. The outlook is shrouded in so much uncertainty at the present time, however, that an iron-bound forecast is impossible. It is perhaps sufficient to say that, unless original equipment business is booked on a much more satisfactory basis than is the case at this time, results for the final six months also will leave much to be desired.

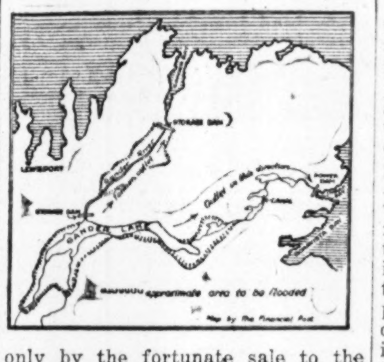
HOPES TO SELL NEWFOUNDLAND REID PROJECT

(Continued from page 1)

transfer hangs in some degree upon the result of that.

While the actual standing of the negotiating syndicate is in question, the matter of a government guarantee which concerns the country as a whole, is also involved. The syndicate is seeking a government guarantee of $15,000,000, together with the customary rebate of customs duties on machinery and construction material for a period of 25 years.

Public opinion in Newfoundland is not entirely in favor of the guarantee. It recalls the narrow escape it had from being called upon for its guarantee of $10,000,000 in the case of the Armstrong-Whitworth paper mill at Corner Brook—a demand from which it was relieved



only by the fortunate sale to the International Paper and Power Company. The Colony is still liable for that guarantee, though expectation of demand upon it is very much minimized under present conditions. It can be seen, therefore, how some people meet this renewed demand for guarantee, anxious as the Colony is to see the establishment of another paper industry. The present government of Sir Richard Squires is more or less obligated to the establishment of a mill on the Gander, one of its pre-election pledges being that it would attempt to establish such an undertaking.

The government of Walter Monroe, two years ago, in the hope that the Reid Newfoundland Company who are the owners of this property, and the International Paper and Power Company of Newfoundland, which was then looked upon as possible purchasers, passed an Act giving certain concession which included the export of one-half cord of rossed or barked pulpwood from Newfoundland for each ton of paper manufactured.

Prefer Hearst as Customer

The Reid Newfoundland Company, the vendors of the property, is said to have two possible customers—Hearst and the International. They are anxious to sell as negotiations have been going on for a number of years and the death of some of the principals of the Reid Company has brought the time when a legal distribution of the estates must be made very much nearer. The country, however, while it dislikes a new guarantee, is not anxious to see the International, which now controls very extensive timber areas on the west coast of Newfoundland, extend its holdings to the east coast, with the possibility of export of unmanufactured wood included. The Act, moreover, previously referred to, does not, it is claimed by legal authorities, provide for the continuous operation of a mill on the Gander even if the International purchased this property. It may, therefore, be understood how the country, opposed as it is to such new guarantees, may be forced to accept it. For some time the proposals, which were originally made at the end of September last, were for this reason utterly unacceptable to the government. The Reid Company's representatives have continued their negotiations, and the new proposals contain a scheme for gradual extinction of the guarantee by the creation of a special bond issue by the purchasing company for this purpose, aimed to retire the guarantee within a period of fifteen or twenty years.

Needs Labrador Pulp

The possibilities, in fact the almost imperative necessity, for the proposed new industry securing rights to pulpwood areas on the Labrador may be judged by the following figures: International, with the daily newsprint production of 600 tons, controls timber areas comprising 8,062 square miles; the Anglo Newfoundland Development, with a production of 400 tons per day, controls 6,696 square miles of timber areas; the Gander properties, including two areas situated in the two northern peninsulas, with a proposed output of 1,000 tons per day, control only 5,366 square miles. That is to say, with an area of only one-third the combined areas of the International Power and Paper Company and Anglo Newfoundland Development Company, the Gander prospects are for an output equal to the combined paper productions of the two foregoing plants. It is felt by some that these Newfoundland areas will be entirely insufficient to supply the demands of pulpwood to a mill of such proportions, although no mention is made of Labrador areas by the government, engineers have no hesitation in declaring such are actually under consideration.

Brazilian By-Laws Empowers Payment of Stock Dividend

Directors of Brazilian Traction, Light and Power Co. have been given power to declare and pay stock dividends and to adjust fractions on the issue of shares, by a by-law recently passed at a special general meeting of shareholders held in Toronto. Such action by the directors must await the granting of supplementary letters patent, application for which has been made.

The action of the shareholders will enable the disbursement of a stock dividend of one per cent to shareholders of record January 31. This stock dividend is in addition to the regular quarterly cash payment of 50 cents. It is expected that new certificates representing the stock dividend will be placed in the mail about March 1.

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CROWN TRUST CO. REPORTS PROFITS AT RECORD LEVEL

Marked Progress Recorded Both in Earnings and Assets

From Our Own Correspondent

MONTREAL.—Crown Trust Company's annual statement for 1929 was the best ever presented to the shareholders, gross earnings for the year having amounted to $294,025, as compared with $258,920 in the preceding year. After the deduction of expenses, net earnings totalled $135,177. This compares with $110,392 and $66,955 in 1928 and 1927, respectively.

Marked improvement is also shown in the balance sheet of the company. Assets at the end of last year amounted to $26,977,629, a gain of about $4,500,000 over the previous year. First mortgage loans are up from $571,731 to $642,393, while credit and time loans advanced to $672,185, up from $655,871. The amount of government bonds and other securities held remains the same, while accounts receivable show an increase of $459 to $37,504. Cash declined from $116,307 to $113,174, while property account gained $170,000 to $425,000.

More Estates Handled

Estates, trusts, etc., under administration show a good increase in value, now standing at $23,247,185, as compared with $18,341,560 at the end of 1928. Funds held for investment show a falling off from $2,446,032 to $1,809,936.

Changes noted among liabilities include an increase in accounts payable from $15,452 to $72,506; money held from $285,196 to $421,348; and a drop in the profit and loss balance from $66,475 to $26,653. This latter item is offset by an increase in the reserve fund from $300,000 to $400,000.

Officers Report Progress

William I. Gear, president of the company, stated to the shareholders, in part:

"The year 1929 proved to be the best in our history. Our net profits, after providing for all expenses and taxes, were the largest in the history of the Company, amounting to $135,177, which is at the rate of 13½ per cent on our capital. This compares with $110,391 in 1928. We have transferred $100,000 from Undivided Profits to our Reserve Fund which now totals $400,000.

"We obtained during 1929 an amendment to our charter increasing our authorized capital from $1,000,000 to $5,000,000.

"To provide satisfactorily for future expansion your directors negotiated a purchase of the property immediately on the west side of the Trust Company's present building."

The general manager, Irving P. Rexford, said in part:

"All of our Call Loans are well secured and perfectly liquid. Our Mortgage Loans, which are made only in the District of Montreal, are all in excellent condition. We have never foreclosed on any of our Mortgages and hold no properties taken over from any borrower. During the stock market crisis last October and November we did not find it necessary to sell out any borrower to protect any of our loans nor to force any borrower to sell. We have met with no losses during the year. The stock market crisis did not affect our investments. We have no loans not fully secured and carry no doubtful accounts on our books.

"A very considerable volume of new estates and trusts came under our care during the year and a very marked increase has been apparent in the number and value of wills made during the year under which the Crown Trust Company is named as Executor."

Good Income Statement

The income statement for the past three years follows:

	1929 $	1982 $	1927 $
Gross	294,025	258,920	168,084
Exp.	158,847	148,528	101,129
Net earn.	135,177	110,392	66,955
Divids.	70,000	70,000	39,480
Balance	65,177	40,392	27,475
Prem.	......	......	*100,000
Balance	65,177	40,392	127,475
Tax. Prov.	......	......	5,596
Balance	65,177	40,392	121,978
†Writ. off	5,000	7,752	5,307
Balance	60,177	32,640	116,572
Prev. bal.	66,475	33,835	17,265
Total	126,652	66,475	133,837
To reserves	100,000	......	100,000
P. & L. bal.	26,652	66,475	33,837

* Of $20 per share paid on 5,000 shares new capital stock issued during year.
†Office premises account.

Earnings Record

Year	Paid-up Capital	Profits	†Earned %	Divd.
1923	$ 500,000	*$ 52,588	10.5	6
1924	500,000	55,246	11.0	6
1925	500,000	56,181	11.2	6
1926	500,000	*55,693	11.1	6
1927	957,185	*66,955	11.9	6¾
1928	1,000,000	‡110,392	11.0	7
1929	1,000,000	‡135,177	13.5	7

*Before deducting amount written off premises, and provision for taxes.
‡Before deducting amount written off premises.
†On average capital.

National Brick Sale Gains By 20 per cent

From Our Own Correspondent

MONTREAL.—Sales and production of National Brick Company of Laprairie, Limited in 1929 are said to have exceeded those of the previous year by 20 per cent, and the financial statement, which will be published shortly, will show satisfactory earnings. On the basis of the present capital structure, earnings for the fiscal year ended February 28, 1929, were equivalent to $2.98 on the common stock.

During the current year National Brick has felt the benefit of constructional activity in and around Montreal while the outlook for further building in 1930 appears to be favorable.

The present capital structure consists of $1,669,800, six per cent preferred shares and 20,698 shares of no par value common. There is also a funded debt comprising $1,600,000, six per cent, first mortgage bonds.

BEATH AND SON PLAN TO EXPAND THEIR OUTPUT

Take Over Canadian Interests of Three American Companies

The directors of W. D. Beath and Son have adopted definite plans of expansion, and have arranged to take over the Canadian interest of three internationally known American companies.

W. D. Beath and Son now operate plants at Toronto, Sarnia and Montreal, and, through a wholly owned subsidiary at Regina, the business of the following companies now will be done in the Dominion: The St. Paul Hydraulic Hoist Co., of St. Paul, Minn., manufacturers of hydraulic hoists for dump bodies: the Stoughton Company of Stoughton, Wis., manufacturers of truck cabs, panel stake and grain bodies, and the Perfection Body Co., of Galion, Ohio, manufacturers of automatic hand and mechanical dump bodies.

These acquisitions, together with similar products now manufactured, will enable the W. D. Beath and Son to offer a complete motor truck equipment service, covering truck cabs and various types of bodies, such as truck tanks, contractor's bodies, with hydraulic hoists, panel bodies and automatic and hand dump bodies, in fact, a most complete truck cab and body service.

It is planned to commence immediately to expand operations of the new Western subsidiary company with the installation of equipment for the manufacture of heavy black iron and galvanized materials, as well as light plate and sheet metal work for grain elevators. Provision is also being made for the manufacture of metal culverts for both Eastern and Western markets.

The above lines, together with the Company's already very extensive line of steel barrels, tanks and pumps, will provide a diversified line of manufacture having a very wide market in Canada.

A preliminary financial statement of W. D. Beath and Son for 1929 indicates very substantial progress. During the year the company paid dividends of $146,000 and increased its investment in plant, equipment and inventories roughly $300,000.

Real Estate Loan Co. Profit Same as in 1928

Real Estate Loan Co. of Canada for 1929 had profits of $41,405, or 8.2 per cent, on the capital of $500,000, compared with $41,321 in the previous year. The 7 per cent dividend again was paid, as in every year since 1913.

Gross assets total $1,609,396, compared with $1,612.857 a year ago. Mortgages outstanding are increased to $1,472,310, from $1,452,094. Real estate held for sale under foreclosure is reduced from $43,979 to $40,437. There is slight change in the cash holdings, investments in municipal bonds or in other securities.

Sterling debentures show some reduction, as in other companies, the figure now being $663,784, compared with $688,631 a year ago. Currency debentures, however, are up from $94,833 to $111,455. The reserve account was increased from $275,000 to $300,000.

Earnings Record

Year	Paid-up Capital	Profits	Earned %	Divd.
1920	$500,000	$38,862	7.7	7
1921	500,000	46,200	9.2	7
1922	500,000	41,039	8.2	7
1923	500,000	42,364	8.4	7
1924	500,000	35,178	7.0	7
1925	500,000	36,706	7.3	7
1926	500,000	40,384	8.0	7
1927	500,000	41,502	8.3	7
1928	500,000	41,321	8.2	7
1929	500,000	41,405	8.2	7

WIDER MARKET FOR NEW STOCK NATIONAL BREW

Proposed Increased Dividend Attracts Buyers at Present

From Our Own Correspondent

MONTREAL.—With the listing of 721,372 new no par value shares of National Breweries on the Montreal Stock Exchange, a wider trading interest in this stock is expected to result. For several weeks the new shares, four shares of which represents one share of the old stock, have been traded in around 31, being approximately 124 on the old stock.

Contrary to expectations issuing of the additional stock did not result in any marked volume of selling. As a matter of fact, the stockholders are holding on to their quadrupled shares, awaiting action of the management in respect to declaring a dividend of $1.60 on the new stock. This is equivalent to $6.40 on the old issue. Up to the present, the company has paid a dividend of $4 a share, so that the new rate represents an increase of $2.40.

Expect Good Report

The report for 1929 is expected to make its appearance some time before April. Though it is not expected to show any material increase in earnings per share, the balance sheet will reveal an increased equity back of the common stock. It will be recalled that last year the company, without the aid of additional financing, retired all its funded debt. Furthermore, it announced the appropriation of $1,500,000 to carry out an extensive programme of developments. Of this sum, some $800,000 will be spent on the purchase of additional property and the erection thereon of a garage, stable and storage building. The balance will be used toward the installation of new machinery and increase in capacity of the Dow and Dawes plants.

Earnings of $8.66 a share were reported by the company for 1928. The amount earned last year should be equally good, despite expenditures on properties and redemption of funded debt.

Merger of Steel Companies Will Form Independent

Merger of the Republic Iron and Steel Co., Central Alloy Steel Corp., Donner Steel Co. and the Bourne-Fuller Co. into the Republic Steel Corp. is nearing completion and the new company will be the second largest independent steel producer in the United States.

The plan of amalgamation is essentially an exchange of preferred and common stocks of the constituent companies for those of the new company which will have an initial outstanding capitalization of $55,000,000 6 per cent cumulative preferred stock of $100 par value and 1,985,144 shares of common stock of no par value. The new company will also have a funded debt of $59,059,400 and $5,000,000 of subsidiary company preferred stock.

Financing of the new company which will be done in connection with the plan of merger will be undertaken by a New York syndicate headed by Otis & Company.

Advertising Executive

FRANK TEES, who has become associated with Stevenson & Scott, Montreal. Mr. Tees is well known in Winnipeg as well as in Montreal

LANDED BANKING PROFITS LOWER

Sterling Debentures Decreased But Same Issues in Canada Grow

Landed Banking & Loan of Hamilton for the year 1929 had profits of $105,811 after taxes, or 10.5 per cent on the $1,000,000 of capital, compared with $120,269, or 12 per cent, in the previous year. The company again paid 10 per cent in dividends.

The company's reserve fund is $1,000,000 and there is a further contingent reserve of $80,000.

Gross assets stand at $4,370,305, compared with $4,507,649 a year ago. Total of mortgages and accrued interest is $3,512,688, compared with $3,452,868 a year ago. Other loans are up from $70,985 to $118,983. Other securities total $385,160, compared with $455,811 a year ago. Real estate held for sale and head office premises are carried at $291,770, compared with $313,217 a year ago.

Sterling debentures are down from $225,813 to $121,666. Currency debentures increased from $438,818 to $480,813. Savings deposits are down from $1,591,097 to $1,525,962.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-in Capital	*Profits	Earned %	Divd.
1924	1,000,000	131,180	13.1	8+1
1925	1,000,000	119,880	12.0	8+1
1926	1,000,000	129,066	12.9	9+1
1927	1,000,000	118,520	11.9	10
1928	1,000,000	120,269	12.0	10
1929	1,000,000	105,811	10.5	10

*Taxes deducted.

Royal Trust Company Proposes to Split Shares

From Our Own Correspondent

MONTREAL.—Shareholders of the Royal Trust Company will vote Feb. 11 next on a by-law enacted by the Board of Directors, sub-dividing the present existing and outstanding 20,000 fully paid shares, of the par value of $100 each, on the capital stock of the company, into 100,000 fully paid shares, par value of $20 each.

Manitoba Attracts Industries

New plants manufacturing explosives, paper, gypsum, chemical and wood products with a combined capital of more than $5,000,000 are already assured for Manitoba during 1930, heralding what is expected to be a year of great industrial progress.

STEEL CAR SHARES DISCOUNT ORDERS FOR EQUIPMENT

Further Contracts Anticipated from Canadian Pacific

From Our Own Correspondent

MONTREAL.—Shares of National Steel Car have been stronger marketwise recently and are evidently discounting anticipated orders for the company from the Canadian Pacific Railway. During the current year the stock has risen from a low of 58 to the current mark of around 70. The outlook for the company is encouraging and earnings for the period which will end June 30 should be well in excess of those of the previous twelve months.

Operations at the plants are said to be satisfactory and it is thought that the company will soon begin work on the Canadian National order, which involves about $3,300,000, while the Beauharnois contract for 60 steel dump cars will come into production shortly. Taking possible orders from the C.P.R. into consideration, National Steel Car should put about $20,000,000 worth of business through its shops during the current fiscal period as compared with $8,000,000 last year.

Production is Facilitated

In addition to increased business, the company's facilities for production have been improved in a marked degree. Operating costs have been cut since the new plant was completed and though operations are not being carried on at capacity, costs nevertheless approximate the lowest point ever reached in the company's history.

That National Steel Car has no other securities outstanding other than its common shares is a feature in viewing the stock from an investment angle. There are 130,000 shares of this stock issued on which a dividend of $2 a share is presently paid. Dividends therefore amount to $260,000 annually and in the light of improved earnings, consideration might be given to a higher disbursement this year.

Frame Business Favorable

It is understood that the automobile frame business is holding up well and though orders are somewhat spasmodic it nevertheless is proving satisfactory. The company installed some efficient equipment for use in this division when the whole plant was rehabilitated last year, and it is thought that the outlay necessitated has been justified.

There is a tendency for the equipment business to become less cyclical and it is likely that in the future the industry will lose its reputation as a feast or famine affair. The growth of diversification in Canadian production will tend to equalize the demands for railroad equipment over the twelve months of each year with the subsequent levelling in the rate of operations at equipment companies' plants.

Pool Membership Up

The past year has been one of marked progress for the Alberta Wheat Pool, according to an official report, which shows an increase in membership during the year of 5,819. Total membership at October 31, 1929, was 40,915 with 4,625,309 acres under contract.

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CITY OF SHERBROOKE HAS BIG EXPORTS IN '29

Asbestos and Maple Sugar—Reason for Increase

MONTREAL.—Over $20,623,970 worth of goods were exported from Sherbrooke, Que. to the United States during the year 1929—an increase of $2,650,000 over the 1928 export.

The increase is largely due to the fact that shipments of asbestos and maple sugar have shown considerable gain, these items having more than offset the falling off of cream exports. During the past year 1,477,000 gallons of cream went across the border as compared with 1,777,000 gallons sent from this district last year.

The largest gain recorded was in maple sugar when 9,806,000 pounds of this product valued at $1,831,000 were exported during 1929 as compared with 4,242,000 pounds valued at $687,900 which went into America in 1928. Asbestos exports were 231,000 tons valued at $8,480,000 an increase of 76,000 tons and a gain in value of $1,103,000. Other important items were newsprint, dairy products, paper base and cream.

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You may have a copy of this Analysis Chart by writing for it.

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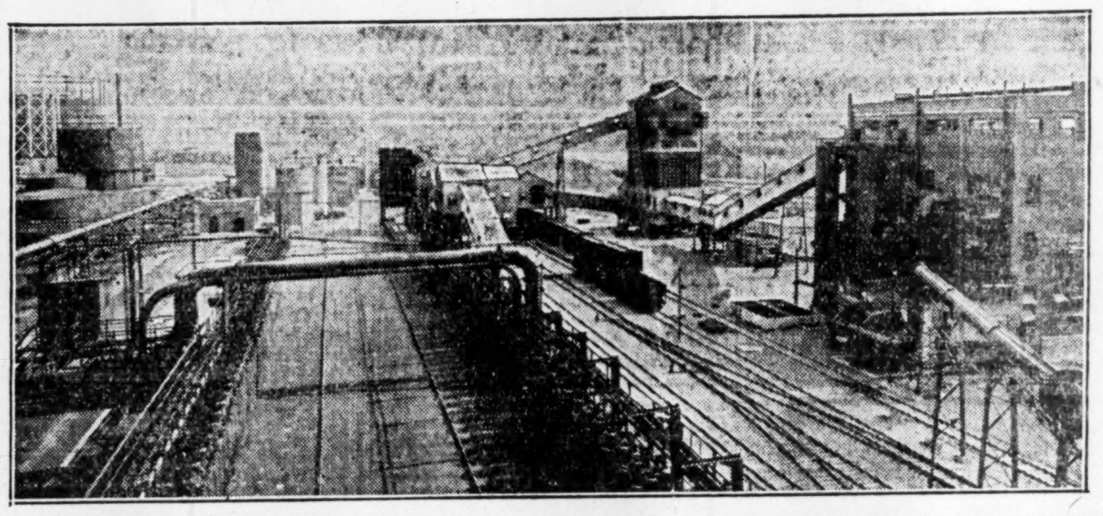
Public Utility Investments

Montreal Coke Extending Plant Operations



This is a recent view of the Montreal Coke and Manufacturing Company's La Salle Plant, which supplies gas and coke to Montreal. During the past year, the company completed installation of a plant for the recovery of sulphur. A benzol extracting plant is now in course of construction.

Supply of Hydro Power Barely Keeps Pace With Demands of Consumers

Almost 378,000 H.P. Added to Installations Last Year

CENTRAL STATIONS UP

Canada's Developed Hydraulic Power Now Equal to .584 H.P. Per Head

From Our Own Correspondnet

MONTREAL.—New water power equipment installed in Canada last year totalled almost 378,000 h.p., there now being for all purposes a total of 5,727,162 h.p., and by the completion of the work now under way this figure will be increased to more than 6,075,000 h.p. before the end of 1930. Furthermore, an additional installation of over 3,000,000 h.p. is in active prospect.

Commenting upon this rapid increase in power supply, the Dominion Water Power Branch points out that the fortunate occurrence of about 60 per cent of Canada's total water power is in the highly industrialized, but non-coal producing provinces of Ontario and Quebec, the close proximity of water powers to the mineral and pulpwood areas throughout the entire country, are circumstances which combine to provide a market for power in which increases in supply barely keep pace with the demand.

Build for Public

An outstanding feature of present day hydraulic development is the large proportion of the power installed for distribution to the public through the medium of central electric station organizations, over 98 per cent of the 1929 installations being so installed.

The trend of development by central electric station organizations, so marked in recent years was continued during 1929 as with the exception of the installation of 5,850 h.p. by two pulp and paper companies and of the replacement of turbines resulting in a net increase of 287 h.p. in a knitting mill the entire new installation of 377,930 h.p. was installed for public distribution.

Quebec Again Leads

Quebec, as has been the case during each of the six past years, led in new equipment brought into operation during the year. Of the 208,312 h.p. of new equipment installed in that province during the year only two items totalling 637 h.p. were installed by individual industries, the entire remainder constituting additions to existing central electric stations or marking the establishment of new ones.

The Gatineau Power Company added one unit to each of its Chelsea and Farmers stations on the Gatineau River and one to its Bryson station on the Ottawa River, a total addition of 83,000 h.p. The Shawinigan Water and Power Company added a 43,000 h.p. unit to its Shawinigan Falls Station No. 2. The Montreal Island Power Company completed the initial installation, 72,000 h.p., of its plant on des Prairies River. The city of Sherbrooke completed a 5,800 h.p. plant at Westbury on the St. Francois River and tied it into its municipal electric system. The Southern Canada Power Company brought into operation a 2,000 h.p. plant on the Nigger River, near Ayers Cliff, while a number of smaller installations completed the total.

Ontario Hydro Active

In Ontario 48,350 h.p. was installed during the year. The International Nickel Company of Canada completed a 28,200 h.p. development at Big Eddy Dam on the Spanish River, while the Algoma District Power Company installed the first unit, 11,000 h.p., of a plant to replace a former plant of 1,600 h.p. at High Falls on the Michipicoten River. The Hydro-Electric Power Commission of Ontario installed three new plants during the year, the largest, 5,000 h.p. at Ear Falls on the English River, one of 2,200 h.p. at Trethewey Falls on the South Muskoka and one of 1,800 h.p. at Elliott Chute on the South River. The rebuilding of the plant of the Chapleau Electric Light and Power Company on the Kebsquashing River resulted in a net increase of 150 h.p.

In Alberta the Calgary Power Company completed and brought into operation a new plant, its third on the Bow River with an installation of 36,000 h.p. at the Ghost site.

Many Maritime Projects

In the Maritime provinces hydro-electric development has been particularly active in New Brunswick and Nova Scotia, the new installation in each province being in excess of that of any preceding year. The St. John River Power Company added the second and third units of 20,000 h.p. each to its plant at Grand Falls, New Brunswick, while the Bathurst Power and Paper Company added a 5,500 h.p. unit to its Nipisquit River plant in the same province. The Nova Scotia Power Commission completed three plants on the Mersey River of an aggregate installation of 30,900 h.p. and one on the Tusket River where 3,000 h.p. was installed. The Avon River Power Company completed a small plant, 500 h.p., on Falls River, and completed the addition of a 368 horsepower unit in a plant on the East River, which it had acquired from the Chester Light and Power Company.

In British Columbia, while new equipment actually brought into operation was the smallest for several years great activity occurred in projects under construction or in course of investigation. One of the subsidiaries of the British Columbia Power Corporation, the Vancouver Island Power Company completed 2,000 h.p. installation at its Jordan River diversion dam while the city of Nelson added a 3,000 h.p. unit to its plant at Upper Bonnington Falls on the Kootenay River. These were the only installation completed during the year.

Distribution of Power

The diversity of utilization of water power and particularly of hydro-electricity is such as to render difficult any definite classification of the ultimate use of the power from sites other than those developed for specific industries such as the manufacture of pulp or paper, or for mining purposes while even in those special industries some part of the power is likely to be diverted for domestic or commercial use. As a very large proportion of the total power developed is distributed through the medium of central electric stations and much of it sold wholesale by the generating stations to other stations the difficulty of a complete analysis as to use is apparent. Following is an approximate distribution:

4,817,486 h.p. or 84.1 per cent of the total is installed in central electric stations for general distribution for domestic, municipal and commercial use. A considerable proportion of the power generated by this installation is sold en bloc for the manufacture of pulp and paper, for the mining and reduction of minerals and for electro-chemical production.

578,826 h.p. or 10.1 per cent of the total is installed in the power plants of pulp and paper mills. The industry also purchases some 860,000 h.p. of electrical enegry from the central electric stations for power purposes together with a considerable quantity of off-peak or surplus power for use in electric boilers.

330,850 h.p. or 5.8 per cent is installed in general industrial plants such as mines and mineral reduction works, electro-chemical plants, saw, grist and grinding mills, machine shops, municipal pumping plants and for electric railway operation.

The total installation for the Dominion averages 594 h.p. per 1,000 of population, a figure which places Canada among the leading countries of the world in per capita utilization of water power.

Employees Must Now Abstain from Market

A firm of brokers numbered among the leaders in the business in Toronto has just taken steps to bring to the attention of its employees the necessity for abstension from more or less sporadic dealings in the market.

It always has been an understood thing that workers in investment banking houses should keep out of the market but the rule was better observed in the breach than otherwise. An employee, wishing to take a little "flier," merely had recourse to some other house than that with which he was connected.

In the present instance all employees have been compelled to sign a written agreement undertaking not to buy shares or commodities, or to indulge in short sales, unless through their own house. Any infringement of this regulation is to be deemed sufficient grounds for immediate dismissal.

BIG OMNIBUS CO. IS VALUABLE ASSET OF MTL. TRAMWAYS

Provincial Transport Has Monopoly in Montreal Area

From Our Own Correspondent

MONTREAL. — Montreal Tramways should shortly be reaping a substantial amount of income from its newest protégé, the Provincial Transport Company. At any rate it has a valuable asset in this big bus line operator, which has a monopoly in and around Montreal.

It is not generally realized that Tramways controls this $2,000,000 bus line that operated last year 125 buses, and had a gross turnover of over $700,000.

Provincial Transport Co. was incorporated late in 1928 and has now completed its first year of operation. It was incorporated to merge all competing bus lines and also to take over all existing sight-seeing buses and routes, with the exception of the Canadian Transfer Co. sight-seeing equipment.

Covers Wide Area

Today the company, in addition to its sight-seeing business, operates some 21 individual bus routes in and out of Montreal, extending as far as Renfrew on the west; Quebec on the east; Sherbrooke on the south; and Sainte Agathe on the north. In addition to these lines the company has also two subsidiary companies which operates bus routes to Boston and New York, respectively.

Provincial Transport Company is capitalized with $2,000,000 of 6 per cent non-cumulative preference shares and 20,000 shares of no par value common. As yet there is no public participation in the company's capitalization, the financing having been arranged privately. It is known however, that Montreal Tramways controls the common shares of the company and that Tramways also holds a substantial block of preference stock.

No Dividends Yet

As yet no dividend has been paid on either the preference stock or the common shares. If 1930 earnings warrant it, an initial dividend may be declared on the preference shares this year. So far the company has devoted all its attention to extending the scope of its operations and consolidating lines already bought. Options are also said to be pending for the acquisition of additional lines during the early part of 1930.

The international portion of the company's business was reorganized a few weeks ago, by the formation of a new subsidiary company to operate the New York-Montreal service.

Summer and Winter

Last year Provincial Transport Company started operations about May 1, and at the present time own and operate about 125 coaches. Plans for 1930 call for the operation of over 200 coaches. Not all lines can be operated during the winter on account of the difficulty of keeping highways open, but as many as can be are kept in operation throughout the entire year.

NET EARNINGS FOR BARCELONA UP MATERIALLY

Figures for 1929 Showed That Drought Conditions Had Been Overcome

OUTLOOK IMPROVES

Executives of Company Do Not Apprehend Any Difficulties Arising Out of Political Disturbance

While the Barcelona Traction, Light and Power Company continues to be known by that name, it now no longer has any interest in traction undertakings, having disposed of its holdings in the suburban lines surrounding that city some time ago, centring its efforts upon the power and light undertakings in the municipality. As is to be expected in a centre that has a population of over $1,000,000 people, these enterprises are very extensive, bringing in a substantial revenue to the company.

The preliminary figures just issued indicate that another year of prosperous operation has just been concluded. For the twelve months of 1929 the aggregate gross earnings were 102,175,201 pesetas as against 91,088,183 in 1928, an increase for the year of 11,087,018 pesetas. The aggregate net earnings for the similar periods were 65,365,918 pesetas in 1929 compared with 63,903,165 pesetas in 1928, a gain of 1,462,753 pesetas.

Progress is Exhibited

These figures, whilst they exhibit progress, do not present any clear conception of the profits in their relation to the common stock. Exchange has persisted as a distributing factor, due in some measure to the unsettled political conditions in the country. This phase of the company's outlook will continue to be disquietening to shareholders until more stable conditions obtain. In 1928 there was earned on the preferred stock of $100 par value, $10.97 per share and there was paid out in the way of dividends, $7 per share plus a bonus of $2. On the common stock of $50 par value there was earned in the same interval $1.26 per share and $1 per share was paid out to holders of this stock.

Industrial conditions in Barcelona are reported to have been fairly good throughout the past year, the demand for both power and light having shown a progressive increase. The main difficulty that the company encountered was again in the matter of the drought, which as was the case in 1928, was pronounced in the summer of 1929. Ordinarily these dry spells recur in cycles of from seven to eight years. Conditions in this respect are now practically normal, there being sufficient water to meet the current requirements of the company. But this development accounts for the fact that operating expenses in every month of the past year showed an increase over the corresponding months of the preceding year.

Political Unsettlement

High executives of the company at the head office in Toronto are unable to appraise properly the progress of the revolutionary movement which has been under way in Spain over the past six years. The new Dictator has been in the saddle for so short a time that it is impossible to state whether the transfer of authority will work out to the advantage of the company and its operations. So far there has been nothing to indicate that the results will be any more deleterious than would be the case elsewhere where unsettled conditions of government are present.

Power Corporation Group Record Production Gain

From Our Own Correspondent

MONTREAL.—Output of the companies in which Power Corporation of Canada is interested amounted to 176,230,858 k.w.h. during December. Outstanding in the month's records is the output of Winnipeg Electric and Manitoba Power Company, which amounted to 64,265,100 k.w.h., as compared with the preceding month. Kilowatt hours output for December is as follows:—

Southern Canada	9,724,020
Canada Northern	29,724,590
Dominion Power	20,390,700
East Kootenay	7,226,100
B.C. Power	35,223,700
Northern B.C. Power	706,648
Winnipeg Electric	15,920,100
Montreal Island	8,970,000
Manitoba Power	48,345,000
Total	176,230,858

Canadian Hydro-Electric Output Higher During 1929

From Our Own Correspondent

MONTREAL. — Production of 2,088,896,000 k.w.h. of electric energy in 1929, an increase of 61 per cent over the output of the corporation in 1928, and over three and three-quarters times its output in 1927, is recorded by Canadian Hydro-Electric Corporation.

For December last, the company produced 196,537,000 k.w.h. of electric energy, 23 per cent over the output recorded in that month a year ago, and two and one-quarter times its output in December, 1927. The marked increase in production is primarily due to the installation of additional machinery over the past twelve months.

Power Industry Monetary Needs 90,000,000 a Year

From Our Own Correspondent

MONTREAL.—Capital invested in water power development in Canada, inclusive of transmission and distribution systems, is estimated to be almost $1,302,000,000 and of this over 85 per cent has been expended on land, buildings, plant and equipment. This is greater than the capital investment in any other manufacturing industry.

Applying the present investment per installed horsepower to the estimated future growth of hydraulic development, it would appear that an average of about $90,000,000 per annum of new funds will be required to finance the developments of the next few years.

Investment in the hydro-electric industry, points out the Dominion Water Power Branch, is a most creditable record of steady earning power as illustrated by the dividend records of its securities and the large increase over a period of years in the output and gross revenue per dollar of investment and in the electrical output per installed horsepower. The ease with which the necessary capital has been secured for previous development and the satisfactory returns on such investment to date indicates that any reasonable demand will be met.

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CALMONT OILS, LIMITED

Based on the financial returns of three producing wells immediately adjoining the lease on which Calmont Oils, Limited, are drilling eight wells, Calmont Oils will receive a revenue from oil produced of well over $3,000,000 per annum.

Home No. 1-2 and 3 are right alongside of Calmont Oils, and these three producers receive over $1,000,000 from production annually. Calmont has 8 wells on the adjoining lease.

Calmont No. 2 entered limestone on February second at 4,821 feet. This well, which is about 400 feet from Home's producing wells, will be drilled to production with diamond drills.

Get Your Calmont Oil Shares Registered in Your Own Name.

We Advise the purchase of Calmont Oils

Quaker Finance Corporation Ltd.
400 LANCASTER BLDG. CALGARY

Winnipeg is Growing

A store on Portage Avenue—a warehouse or factory loft in the wholesale district—an office in some of Winnipeg's leading buildings—no matter which—you can secure it quickly through this office.

Specialists in the Development, Management and Selling of Winnipeg Business Property.

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The Partners Personally Advise as to Investments.

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New York Cotton Exchange
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Company Limited
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Savings Earn 4%
Per annum, compounded half-yearly, subject to cheque

CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET TORONTO
Assets exceed $87,000,000.00
Established 1855

News of Investment Markets

PUBLIC DEMANDS HIGH-GRADE BONDS FOR INVESTMENT

January Bond Offerings Well Taken Up By Public

The volume of bond sales in Canada for the month of January amounted to $47,197,796, according to The Financial Post compilation. This figure by more than twice exceeds the volume of sales in January, 1929, and it is stated that the various issues were largely taken up by the public and that a good demand is present for first grade bonds. The bond market, as a whole, however, is not as active as was expected some weeks ago.

Of the total of bonds offered during the month $24,858,000 was in Dominion guaranteed or provincial bonds and included $18,000,000 40-year 5 per cent guaranteed gold bonds of the Canadian National Railways, Saskatchewan 5's to the amount of $3,500,000 and New Brunswick 5's, $3,358,000, were offered and met a good reception at par.

Corporation bonds totalled $15,000,000, consisting of three large issues: Mersey Paper 6 per cent 20-year bonds to the amount of $2,000,000 were offered at 95; Montreal Tramways issue of $3,000,000 5 per cent general and refunding mortgage sinking fund gold bonds offered at 92½ and a $10,000,000 issue of Northwestern Power Company 6 per cent first mortgage s.f. convertible gold bonds offered at 98.

Municipal issues totalled some $7,339,796 and included $3,000,000 5 per cent bonds of Vancouver; $2,500,000 5 per cent bonds of Winnipeg; New Westminster Harbor Commission, $700,000; Scarborough Tnp., $516,979 and St. Catharines, $214,500.

Portions of several large foreign issues were offered in Canada including American Telephone and Telegraph Co., $150,000,000; Insull Utility Investments, $60,000,000 and New England Power Association, $25,000,000 and Associated Gas and Electric Company, $30,000,000.

Stock issues of Canadian corporations were noticeably scarce, an offering of National Sewer Pipe Co. being most prominent. Several smaller companies offered stock to the public including Highland Dairy Co., Community All-Star Industries, Transcontinental Storage and Distributing Co. and Picardy Candy (Alberta). The market for stock issues is not particularly strong.

Highland Dairy Units Are Offered to Public

Hartley Investment Corporation is offering the unsold portion of $150,000 7 per cent cumulative redeemable convertible preference shares, $100 par value, of Highland Dairy Limited.

The company was incorporated in Ontario in June, 1929, to acquire the retail milk distributing business of A. J. Hancock, New Toronto, and that of the Crescent Dairy, Toronto. Officers and directors of the company are W. L. Knowles, pres.; F. F. Appleton, vice-pres.; R. J. MacDonald, man. dir.; Alex. H. Stephenson and John T. Stronach.

Details of the issue follow:

$150,000
HIGHLAND DAIRY LIMITED
7% Cum. Redeemable Convertible Preference Shares, $100 par value

Dividends payable quarterly, Jan. 2, April 1, July 2, and Oct. 1; convertible on option of holder into two shares of common stock for each share of preferred. Redeemable in whole or in part at any time on option of the company after 30 days' notice, at $110 a share and accrued dividends.

Capitalization—	Authorized	*Issued
Preferred ($100 par)	5,000 shs.	1,865 shs.
Common, n.p.v.	30,000 shs.	15,145 shs.

*Including this issue.

Company—Ontario incorporation, June, 1929. Conducts a retail milk distributing business in Toronto and New Toronto.

Offered—Jan., 1930, $150,000 in units, at $200 a unit consisting of 2 shares of preference stock and 1 share of common stock with the right to purchase one further share of common stock at $10 per share; by Hartley Investment Corporation, Toronto.

Tenders and By-laws

Feb. 21, Timmins.—$30,031, 5½% 15-30-yr debentures. H. E. Montgomery, clerk and treas.

Feb. 10, Royalite Oil Co.—811 shares of no par value stock. F. M. Smith, sec.

Feb. 17, Municipality of Gaspe Village.—$12,000, five per cent, 20-yr. serial bonds. A. D. Dalpy, secretary treasurer.

Feb. 17, School Commission of Ville Lasalle.—$8,000, six per cent, 19-year serial bonds. A. Ouellet, secretary-treasurer.

Feb. 17, Twp. of North York—$135,696, 5 and 5½% local improvement debentures, 5, 10 and 20-year. H. D. Goode, clerk.

Admitted to Partnership

J. WILLIAM SEAGRAM, who has been admitted to partnership in Buchanan, Seagram & Co., Members Toronto Stock Exchange.

LINDSAY'S TRADE FOR TEN MONTHS SHOWS 17% GAIN

Earnings for Current Fiscal Period Should be Encouraging

From Our Own Correspondent

MONTREAL.—Sales of C. W. Lindsay Company for the ten months ended December 31, 1929, showed a gain of about 17 per cent over those of the same period in the previous year. The company's fiscal year ends February 28; to what extent this increase in sales will be translated into profits remains to be seen. It is considered that the financial statement may show earnings in excess of those shown in the last income account which covered fourteen months operations.

In that period the company earned $302,750, of which $273,206 remained applicable to preferred and common dividends after all charges. After payment of preferred dividends there remained a sum equal to $6.15 a share on the common stock on which a disbursement of $1 annually is paid.

Might Raise Dividend

No mention has yet been made of increasing the payment on the common stock though in the light of current earnings it seems some consideration may be given to this item.

Since the company is a distributing organization only, the question of depreciation on machinery and installation of new equipment does not enter into its finances, accordingly profits tend to become fairly stabilized and are largely dependent on merchandising methods and public purchasing power.

Though a recession in sales during December was looked for in some quarters, due to stock market conditions, the company experienced an excellent turnover in that month and has not yet felt ill effects from any possible curtailment in buying power.

Business is comparatively slack at present, though it is pointed out that this is a seasonal situation and prevails every year following the Christmas season rush.

Altamont Oil Stock Offered at $1 Per Share

Tri-State Bond Co., 209 Rogers Bldg., Vancouver, is offering at $1 per share shares in the Altamont Oil Co. Ltd., the head office of which is 305 Beveridge Bldg., Calgary.

The authorized capital of the company is 500,000 shares. The circular published by the Tri-state Bond Co. does not give details as to royalty obligations, if any, or the number of shares which have been issued for other than cash, if any.

H. McConkey is president of Altamont Oil, and L. K. Sully, Vancouver, is vice-president and managing director. The secretary-treasurer is E. P. Brewer. Directors are: A. H. Johnstone, Mark Whitely, T. D. Thompson and J. W. Dorsey, E.E.

Altamont Oil is stated to have the natural gas and petroleum rights on approximately 600 acres on the Red Coulee field and the Beaver Dome structure.

McCOLL FINISHES GREATEST SEASON SINCE INCEPTION

Officials Expect Net Profits of About $2,000,000

From Our Own Correspondent

MONTREAL.—McColl-Frontenac Oil Company closed its fiscal year last month and the financial statement, when available, is expected to more fully reflect the rapid growth of this company than did the last one. It will be recalled that the company undertook toward the latter part of 1928, an intensive development programme, including the establishment of a number of filling stations and bulk stations, increasing refining capacity, and adding to its distributing system, through the purchase of additional oil tankers and motor tank cars.

Interim statements issued by the company throughout the year clearly indicate the marked improvement in earnings arising from larger refining and distribution facilities. Consolidated net profits available for interest on bonds, after all operating charges, including depreciation and after deducting interest and dividends on subsidiary companies' securities not yet acquired, amounted to $1,223,058 for the 13 months ended January 31, 1929.

Expect $2,000,000 Profit

For the seven months ended August 31, 1929, on the same basis, net earnings totalled $1,236,945, or more than for the preceding 13 months. Officials of the company estimate that the net profit for the full year 1929-30, available for bond interest, etc., will exceed $2,000,000.

During the nine months ended October 31, 1929, the company reported that gasoline sales were 30 per cent over those reported for the corresponding period of the previous year. It is further understood that sales of oil show an equally impressive gain.

Weighted Index Shows Mining Stocks Stronger

The weighted index for seventeen mining stocks computed by the Dominion Bureau of Statistics on the base 1926 equals 100, was 83.3 for the week ending January 30th, as compared with 80.1 for the previous week. Eleven gold stocks rose from 58.6 to 61.0. Gold-copper stocks represented by Amulet and Noranda rose from 192.5 to 201.1. Four silver and miscellaneous stocks fell from 50.2 to 49.4.

Bond Sales

Town of Cochrane

Harris, MacKeen & Co. has purchased $15,000 5½ per cent 20-year debentures of the Town of Cochrane at a price of 95.05. Basis approximately 5.92 per cent.; .571 off 5⅞.

Bids received were as follows:

Harris, MacKeen & Co.	95.05
W. L. MacKinnon & Co.	95.00

School Commission of Drummondville

Credit Anglo-Français Limited has been awarded an issue of $68,000 School Commission of Drummondville 5 per cent bonds, maturing 1 to 30 years, at a price of 96.50.

CITY OF OWEN SOUND

Stewart, Scully & Company have purchased $190,354, 5 per cent bonds of the city of Owen Sound at 97.935, basis approximately 5.19 per cent.; .41 off 5.15 per cent basis (Owen Sound payment and delivery). Of the total, $140,354 is due Feb. 1, 1945, and $50,000 is due Feb. 1, 1950.

Bids were as follows:

		Owen Sound Payment and Delivery
1.	Stewart, Scully & Company ...	97.935
2.	Wood, Gundy & Company	97.637
3.	Fry, Mills, Spence & Company	97.331
4.	Dyment, Anderson & Company	96.811
5.	Gairdner & Company	96.811
6.	McLeod, Young, Weir & Co. ..	96.80
7.	Bell, Gouinlock & Company ...	96.636
8.	Dominion Securities Corporation	92.296
9.	Burgess & Company	96.07
10.	J. L. Graham & Company	95.035

CITY OF ST. CATHARINES

Dominion Securities Corporation and Imperial Bank have been awarded $214,500, 5 per cent serial bonds of the city of St. Catharines, due 1930-1959. Bonds were purchased at 97.476 on a basis of approximately 5.33 per cent; .598 off 5.25 per cent basis.

Bids were as follows:

		St. Catharines Payment and Delivery
1.	Dominion Securities, Imperial Bank	97.476
2.	Wood, Gundy & Company	97.37
3.	Harris, McKeen & Company ..	97.035
4.	Gairdner & Company	97.032
5.	Fry, Mills, Spence & Company	96.892
6.	Dyment, Anderson & Company	96.735
7.	McLeod, Young, Weir & Co. ..	96.59
8.	R. A. Daly & Company	96.567
9.	Bell, Gouinlock & Company ...	96.51
10.	Burgess & Company	96.41
11.	Royal Bank of Canada	96.267

Mitchell Has Contract For C.P.R. Business

MONTREAL.—Further favorable business for the Robert Mitchell Company, Limited, is seen in the announcement that the company has secured a two year contract with the Canadian Pacific Railway to supply a portion of its bronze bearings and other casting work. This order, with other railway and pulp and paper company contracts, will provide a good volume of work for the new foundry at St. Laurent, which is expected to reach capacity production shortly.

Robert Mitchell also recently secured a contract for all plumbing, ventilation heating and other fixtures in the new Aldred Building now under construction in Montreal. The contract is said to involve the sum of $400,000.

LATEST NEON FIRM MARKS PROGRESS IN MERGER PLANS

Claude Neon General Advertising is Holding Company

From Our Own Correspondent

MONTREAL.—Incorporation of Claude Neon General Advertising, Limited, marks another step in the co-ordination of Asch, Limited, E. L. Ruddy Company, Limited, and Neon Products of Western Canada, Limited. It is understood that the new company will be the holding organization for three subsidiaries, namely, Claude Neon-Asch, Limited, and Neon Products of Western Canada.

The capital structure of Claude Neon General Advertising consists of 25,000 shares of seven per cent, cumulative, preferred stock and 600,000 shares of no par value common. It is supposed that these shares will be given in exchange for stock of the present operating companies at a later date.

Is Gradual Process

Through the merger of the operating companies of necessity will be a gradual process, the ultimate outlook is favorable. The merger will consolidate all existing forms of outdoor advertising such as poster advertising, painted display bulletins, electric spectacular signs and commercial signs. The business of the company will extend from coast to coast with offices in all principal cities.

An unwonted stimulus has been given to the advertising display business through the introduction of neon lighting, and the industry has benefitted accordingly. Business of Asch, Limited, has assumed record proportions, and the financial statement for 1929 is expected to show a marked improvement over that of the previous year when net earnings amounted to $118,414, or the equivalent of $2.49 a share on the common stock.

David et Frère Profits Reported Higher for 1929

From Our Own Correspondent

MONTREAL.—Though the financial statement of David and Frère will not be published for a week or two, it is understood that earnings for 1929 were encouraging and after deduction of dividends on the "A" stock, there remained a sum equal to nearly $3 a share on the "B" stock.

The company has made good progress during the year, investments have been increased while working capital position has been strengthened. Current assets exceed current liabilities by about 65 to 1.

Construction of a plant addition, which will increase productive capacity by about 30 per cent is well under way, and will be completed early in March.

The "B" shares, of which there are 23,000 outstanding, will be listed on the Montreal Curb Market in the near future. Over the counter trading has been in the region of $12 a share.

Eastern Dairies Begins Deliveries in Hamilton

From Our Own Correspondent

MONTREAL.—Eastern Dairies, Limited, through its subsidiary Acme Farmers Dairy, Limited, is now offering a complete service in Hamilton. This company has a strong foothold in the new market, inasmuch as some 200 of its shareholders live there, while the company itself purchases about $200,000 worth of supplies yearly from the Hamilton district.

Acme Farmers will handle a complete line of dairy products, including milk, butter, cream, ice cream. Jersey milk, buttermilk and acidolphulis milk.

LONDON CANADIAN FIRST STATEMENT COVERS 20 MONTHS

Investment Trust Earned Preferred Dividend by Sound Margin

From Our Own Correspondent

MONTREAL.—The first report of the London Canadian Investment Corporation, an investment trust of which Sir Herbert Holt is president, has been presented to shareholders this week.

The report covers the first 20 months of the company's operations, extending from its incorporation on May 8, 1928 to Dec. 31, 1929. In that period, total revenue from investments, consisting of cash, interest, dividends, interest on call loans, and so forth, but excluding capital profits, amounted to $903,488, as compared with debenture interest requirements of $427,500 during the period. It will be remembered that in June, 1928, $6,000,000 of 20-year, 4½ per cent, debentures in this company were publicly offered at 100 and interest, each $1,000 debenture carrying with it a warrant for ten shares of no par value stock of which there are 350,000 shares outstanding. In addition the company has outstanding $4,000,000 of 5 per cent cumulative, redeemable, preferred shares.

The report states that the company's assets show a depreciation in market value as at Dec. 31, 1929, of only approximately 5.43 per cent, or $575,637, leaving net assets of a market value of $10,522,666.

Holds Diversified Portfolio

After deducting all expenses, including debenture interest, management expenses, taxes, etc., there remained $400,626 available for preferred dividends, of $300,000, leaving a balance of $100,626 to be carried forward to the credit of profit and loss. Total assets, including cash, call loans, accounts receivable, etc., are carried in the company's books at $12,208,406, against which current liabilities amounted to $47,433, and the investment reserve to $1,062,669, or a total of $1,110,102, thereby leaving net assets with a book value of $11,098,304.

The corporation's report indicates that management expenses totalled only $34,022, compared with an amount of $63,333 allowed under the Corporation's by-laws for management expenses.

In his report to shareholders, Sir Herbert Holt points out that the number of securities in the company's portfolio totals 157, geographically distributed as follows: Canada 40.41 per cent; United States, 30.89 per cent; British Empire (exclusive of Canada) 7.98 per cent; other foreign countries, excluding United States, 20.72 per cent. The president's report also states that the revenue of the corporation has increased materially during the last few months as a result of increased dividends and extra distribution, and that the revenue position is now better than at any time since incorporation.

Arrange New Mortgage for York Apartments

Holders of York Apartments bonds will likely be asked to take a position junior to a short term first mortgage, which must be arranged to provide capital to complete the company's apartment house at Kitchener.

A second apartment at Stratford, owned by the company, is completed and is stated to be practically filled.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Yield
Owen Sound	Jan.	Stewart, Scully Co.	5%	1945-50	$190,354	97.935	....

For Security

Canadian National Railway Company—(New Issue)—Forty-year 5% Gold Bonds, unconditionally guaranteed by the Government of the Dominion of Canada, due February 1, 1970. These Bonds, issued for refunding purposes, are direct obligations of the Canadian National Railway Company and, under authority of the Parliament of Canada, are unconditionally guaranteed as to payment of principal and interest by the Government of the Dominion of Canada. All of the capital stock of the Railway Company is owned by the Dominion of Canada. The Bonds are payable throughout Canada and in New York. They are also payable at the holder's option in sterling in London. Interest payment dates: February 1 and August 1. Non-callable before February 1, 1950; the call price thereafter to February 1, 1955 is 105. It is expected that application will be made to list the Bonds on the New York Stock Exchange.

Price at Market.

A diversified list of recommended investments will be mailed on request

The National City Company
Limited
360 St. James Street, Montreal

Toronto .. Ottawa .. Quebec .. New York .. Chicago .. Washington
San Francisco .. Seattle .. London .. Amsterdam .. Geneva .. Tokio
and more than fifty other cities of importance

473

Government, Municipal Bonds and Corporation Securities

Business Established 1901

RENÉ-T. LECLERC, Inc.

Montreal, 240 St. James St. West
Quebec, 71 St. Peter St.

473

Position Wanted

Young man, 21, recently connected with brokerage firm, would like position with sound financial house. Is well educated, having some Varsity training, and is very adaptable to new work. Can be trusted to handle responsible position, and is ready to furnish the best of references. Box 204, The Financial Post, 143 University Ave., Toronto.

THREE POPULAR LONDON HOTELS
HOTEL SOMERSET (adjoining Selfridge Stores), Orchard St., London, W.1, England (200 rooms and suites).
Also
HOTEL QUEBEC, Bryanston St., London, W.1 (100 rooms).
HOTEL SEYMOUR, Seymour St., London, W.1 (100 rooms).
All bedrooms and suites fitted running water, gas fires or central heating, and telephones. Dairy produce from own Farm. Terms: Bedroom, Breakfast, Bath and attendance from 10/6 per day. Luncheon 3/6. Dinner 5/-. En pension from 5 gns. weekly.
Proprietor, O. PICTON DAVIES.

MONTHLY INVESTMENT LETTER and TRADING SERVICE

OUR FEBRUARY INVESTMENT LETTER RECOMMENDING THE PURCHASE OF SEVERAL HIGH GRADE BONDS HAS NOW BEEN FORWARDED TO OUR CLIENTS. OUR STATISTICAL DEPARTMENT WILL BE PLEASED TO FORWARD COPIES UPON REQUEST.

HANSON BROS
INCORPORATED
INVESTMENT BANKERS · EST. 1883
255 St. James Street, Montreal
QUEBEC TORONTO OTTAWA 51

A Billion Dollar Producer

Ætna Life Insurance Company

During 1929, Ætna Life Insurance Company strengthened its reputation as a billion dollar producing organization by writing more than $1,105,000,000 of new paid for life insurance.

This is the second successive year in which a billion dollar volume has been attained, the total for 1928 having been $1,010,000,000.

Ætna is one of the few prominent life insurance companies offering public participation in its earnings. We recommend the purchase of this stock as an excellent investment.

F. E. KINGSTON & COMPANY
(Canada) Limited
INVESTMENT SECURITIES
249 St. James Street, Montreal
Telephone Lancaster 2196

A Foundation for the Future

WE are presenting a tabular picture of our progress by three-year periods during the past nine years. These figures are an eloquent expression of remarkable development.

We are accelerating our rate of growth. In 1929 our New Business of $12,513,229 showed a 61% gain over that of 1928. The average Canadian gain was 6%. The growth of our organization may almost be said to have been militant. Here are the figures of our unbroken record of gains:

	Insurance in Force	Assets	Total Income
1920	$ 1,053,300	$ 174,985	$ 150,633
1923	24,840,903	1,431,605	555,079
1926	33,050,441	3,822,316	1,073,655
1929	52,460,013	7,323,146	2,093,817

	Policy Reserve	Capital	Surplus
1920	$ 20,278	$ 63,560	$ 36,072
1923	1,049,703	107,160	49,553
1926	2,422,896	331,000	246,158
1929	5,547,433	642,417	354,483

Within nine years The Ontario Equitable has become an institution of over 50 Millions of Insurance in Force, with a Capital and Surplus of One Million Dollars and Assets of over 7 Millions.

All this is not the structure—it is only the foundation for the structure which in 1930 and succeeding years will be raised to new heights.

We will be glad to furnish a copy of our Annual Statement upon request.

THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
S. C. TWEED, President
HEAD OFFICE WATERLOO, ONTARIO

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THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Editor—FLOYD S. CHALMERS

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

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THE FINANCIAL POST BUSINESS YEARBOOK. YEARLY, $2.

THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. YEARLY, $2.

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THE FINANCIAL POST RECORD OF PROSPECTUSES. HALF YEARLY, $7 per volume.

THE FINANCIAL POST SURVEY OF CANADIAN OILS. YEARLY, $2.

THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.

TORONTO, FEB. 6, 1930

WHEAT, THE ENIGMA

ONE barrier more than any other stands in the way of a completely optimistic business forecast for the coming year. One might with reasonably good judgment predict the upward turn in business before the end of the present year were the obscurity of the grain situation to be mitigated in any degree.

For several months The Financial Post has emphasized wheat as the nigger in the Canadian business wood pile. The situation is in nowise clarified from its former cloudiness; in fact it is less promising now than it was a few months ago. We have a large stock of unsold wheat in the country which it is becoming daily more difficult to market at a profitable figure. The assurance that we can obtain a profitable price for it is now lacking.

Most of our bankers, at their annual meetings, have glossed over this situation, but C. A. Bogert, general manager of the Dominion Bank, emphasized it frankly in his remarks last week.

Mr. Bogert drew attention to the unique grain situation and stock market developments which were the outstanding features of the year 1929. With a large portion of the exportable surplus of the 1928 and 1929 wheat crops remaining unsold in the hands of farmers and grain dealers, new money is kept out of the country and funds are tied up. The effects of this are slower liquidation of debts, interest payments, etc.; flagging business; unemployment; new enterprises deferred and lower bank deposits. This condition, said Mr. Bogert, furnishes another strong argument in favor of more diversified agricultural pursuits in Western Canada, a policy of mixed farming.

The situation is not insoluble, but immediately lies largely outside of our own hands and is to a considerable extent under the control of Nature herself. In the meantime, the foreign buyer of wheat has shown an almost unbelievable degree of resource in finding wheat that Canadians did not know existed. The visible supply of wheat has proven to be a less important factor in prices than the invisible supply. Wheatpool truculence of last fall has given way to penitence and anxiety.

Business men should watch wheat markets and the export movement of wheat, as well as prospects for the various crops now coming along or shortly to be planted, with a great deal of honest care. If we can ultimately market our present stocks at something above the present levels of wheat prices we may look for an upturn in business.

OUR WASTE OF GAS

CONTROL of production is the solution offered by the Government Royal Commission for the over-production of gas in Turner Valley, Alberta.

The considered judgment of the Commission, as set forth in the final report just handed in to the Federal cabinet, is that very little can be done to utilize the present wastage of gas. But further development should be carefully controlled, the Commissioners believe. There is to be no restriction of export, if buyers can be found in the United States, and there is no statutory obstacle to piping the gas eastward to Regina, Saskatoon and Winnipeg. The Commission appears to have considered all possible outlets for the gas, without coming to any definite conclusions. Perhaps the greatest obstacle to utilization is the uncertainty of the future supply of gas. Apparently, consideration was given to using it to generate electric power—there being no surplus of electricity in southern Alberta—but the difficulty lay in future uncertainty. An electrical development would entail a large capital outlay which would be valueless for other purposes.

Apparently the obstacle to piping the gas eastward is that capital is shy of such a project. There are no statutory obstacles, except to obtain permits from municipalities to cross the road allowances.

There is no reason to believe that representatives of Turner Valley companies have approached the Federal cabinet seeking a five year government guarantee of a $50,000,000 bond issue, to cover the cost of building a pipe line. The cabinet ministers have declined to entertain such a proposal, and so the problem of using Turner Valley natural gas remains much as it was.

WHAT GLORY PRICE?

THE FINANCIAL POST has recently been very critical of the attorney-general of Ontario for his apparent unwillingness to move in cleaning up the mining stock brokerage scandals that started in Ontario and spread across Canada. Now Col. Price has acted. With more than a dozen leading stock brokers representing the "Big Five" houses facing charges of a serious nature further discussion by The Financial Post of these scandals which have been so prominent a feature of our articles of the past few months must be along the lines of future necessities rather than past faults.

Certain recent arrests are likely to do much to clean up the situation. But these people deserve a fair trial and it is to be hoped that every arrested broker will have a trial that is fair not only to himself but to the public.

The climax in the campaign has been reached. Some good common sense revision of brokerage methods and rules should be the chief feature of the important period of anti-climax.

SOLVING UNEMPLOYMENT

THE bogey of unemployment in Canada has become a major issue in the past week, largely through the gathering of western mayors and provincial representatives at Winnipeg under the leadership of Mayor Webb of that city. A wide range of subjects featured the agenda, and now a delegation is marching on Ottawa armed with resolutions on unemployment insurance, immigration, federal versus provincial jurisdiction, and so forth.

Many of these panaceas seem beside the point and would probably do little to solve the peculiar problem now facing the West. For instance, unemployment insurance should surely be unnecessary in a country such as Canada; while the passing of the unemployment-relief buck to Ottawa would seem a dangerous way for the provinces, usually so jealous of their rights, to avoid paying out a little hard cash. On the other hand, the conference has performed a valuable service by focusing attention on the serious seasonal fluctuations in the Canadian employment curve.

As suggested in The Financial Post for several weeks, this question is one that demands immediate and national study, if we are to make the most of the exceptional opportunities that now present themselves for the development of our own resources, industry and trade. In the West, for instance, we need large numbers of men each summer to carry on constructional and development programmes, quite apart from those who are engaged in harvesting and agriculture. If definite steps are not taken to find all-year round occupations for these men and their families, they must remain a permanent problem for the larger cities to cope with each winter.

This is the natural result of our climate and yet there is no doubt that if the matter were seriously approached as a permanent economic condition, rather than a merely temporary situation, definite plans could be laid and matured which would materially aid our productivity and would largely eliminate the need for such panaceas as insurance and relief.

As far as the present situation is concerned, it is somewhat exceptional, and combines the fact of exceptionally trying unemployment conditions in western cities, alongside the quite truthful government statement that "unemployment conditions continue more satisfactory than at any time since the record was established in 1920." The reason for this apparent anomaly is that while it is true there are more people reported as employed than at any time in the past ten years, the rate of contraction in employment, from the exceptionally high peak of earlier in the year, has been phenomenally severe and has naturally brought attendant hardships, especially in big cities.

There are some indications that trade and industry are assuming a more natural position as we enter the second month of the year, but undoubtedly it is well worth our finding out, in an authoritative way, to what extent seasonal unemployment must be expected every year, and what may be done to prevent it.

A FAITHFUL SERVANT

AS A result of the repeated urgings of Hon. W. D. Euler, the Department of National Revenue will not lose the services of R. W. Breadner, Commissioner of Customs, whose retirement was considered as a distinct possibility a few weeks ago.

Mr. Breadner, last January, completed many years' service with the Dominion government and was eligible for superannuation at the maximum rate under the Civil Service Superannuation Act. His present salary is $10,000 per annum and Mr. Breadner, if he desired to retire, could do so with an annuity of $7,000. Mr. Breadner is in his 65th year and, with the exception of four years, has been in the public service since 1884.

He has held the most responsible of positions. He was the first administrator of the Income Tax Act, achieving such success that when the customs service was re-organized in 1927, he was named Commissioner of Customs. In the past three years the customs service has been overhauled thoroughly and in these activities Mr. Breadner played a decisive part. Indeed, the credit for the present efficiency of the department must be divided between Mr. Euler and Mr. Breadner.

The present position, therefore, is that Mr. Breadner is entitled to a superannuation of $7,000. In other words if he continues in his office he, really, is giving his services for $3,000 per annum. Undoubtedly, his knowledge of the Customs and Income Tax Acts is such that he could step into private business and command a large salary. It was commonly thought that he would do so.

Upon the urgent request of Mr. Euler, he has agreed to continue in his present work. It is not possible to increase his salary so that the position is that he has agreed to go on for the net remuneration of $3,000 per annum.

Not many public officials would sacrifice their personal advantages in this way. Nor is it possible to increase his superannuation by additional years of work, since he has reached the maximum.

Mr. Breadner is a faithful and valuable servant of Canada.

A DIFFICULT YEAR

THE 1929 showing of Canadian Pacific Railway, as revealed in preliminary earnings figures for the company's railway operations, should prove satisfactory both to shareholders and business in general. Naturally the company is disappointed that what promised to be another splendid year, was so drastically upset, by the inability of western grain interests to place the 1929 crop on world markets. The C.P.R. not only lost a lot of business in this way but undoubtedly it found itself out of pocket by a considerable sum through having to readjust hundreds of thousands of dollars worth of equipment which had been moved to strategic points throughout the west during the summer, to be on hand for the fall movement.

Largely because of this loss, the company has shown a drop of 16.5 per cent in net earnings, from its all-time high record of 1928, although it actually earned 9 per cent more than in 1927, which was considered a fairly good year.

Of course the most encouraging feature of the situation is the fact that a substantial amount of the earning power lost during 1929, has merely been deferred, and may prove a valuable aid to the company's operations during the present year, especially if another light crop is harvested on the prairies. In view of all the cards that were stacked against it during 1929, the company has made an exceedingly creditable showing.

TO A WORTHY SON

ON JANUARY 26 there was unveiled in University Hall of Acadia University at Wolfville, Nova Scotia, a bronze tablet to the memory of Arthur Hunt Chute, well-known Canadian author. This tablet was presented to Acadia University by the editors of The Financial Post, MacLean's Magazine, The Canadian Magazine and The Toronto Star Weekly, and was unveiled by H. Napier Moore, editor of MacLean's Magazine.

Mr. Chute was a graduate of Acadia University. He met a tragic and untimely death when the aeroplane in which he was flying into the north country in search of material for future articles crashed into Lake Manitoba, 135 miles north of Winnipeg on September 22, 1929.

The service, which was broadcast, was conducted by F. W. Patterson, president of the University. In addition to the address of Mr. Moore, messages were read from Cyrus S. E. Eaton of Cleveland, Ohio, who is a famous and successful Canadian-born investment banker, and from Dr. Charles A. Eaton, member of the United States Congress from New Jersey.

A RISING PORT

THE growth of Vancouver as a seaport since 1921 marks one of the most striking industrial developments in Canada in recent years.

Not only does Vancouver stand second only to Montreal in Canada in the volume of tonnage represented by the ships that come and go during the course of a year, but the port has, during the last three or four years, outstripped such lusty competitors as Seattle and Portland and Los Angeles on the Pacific coast and is surpassed only by San Francisco.

In other words, Vancouver now ranks as one of the really great ports of the world, and her claim to this position is strengthened by the wide diversity of the products which represent the imports and exports. Vancouver's prosperity as a seaport has not been due to any spectacular gains in one industry, likely to be of temporary effect, but rather to the healthy expansion of half a dozen great trade movements each of which separately would be sufficient to provide a port with worth while business.

The most amazing feature of Vancouver's growth as a port has been the development of the wheat trade, but wheat is only one of many commodities that has contributed largely to the sea commerce of Canada's fast advancing Pacific metropolis.

Within a period of eight years Vancouver has scored a gain of nearly 7,000 arrivals of ships annually, an increase of nearly 4,000,000 tons net register, and a growth of 59,000,000 bushels in grain exports, of nearly 2,000,000 barrels of flour exports, 40,000 tons of lead and zinc, more than 500,000 cases of canned salmon, and more than 216,000,000 feet of lumber and logs.

Vancouver is now the home port of steamship services operating on several oceans, and one of the interesting factors in connection with this development of ship connections is the West Indies service and the Australian route, both of which operate under government subsidy.

POST-scripts

DURING the recent stock exchange slump a young orator at the Chartered Accountants Students Society dinner said "I have heard that it is becoming the custom in some places to open company meetings with a prayer and close them with an investigation."

THE story of the man who sat up all night to listen in on his radio and got Chile is bettered by the one that comes from Newfoundland. Radio reception on the Island is especially good. Since the introduction of the "beam," residents have occasionally been able to listen in on trans-Atlantic telephone conversations. This is not a regular practice by any means but it happens that when tuning in from station to another, the receiver cuts in on a conversation. Not long ago, one listener sat before his radio and in turning the dial around cut in on a trans-Atlantic call. It was from a man in London to his wife in New York.

Apparently the experience of talking across some 2,500 miles of space was too much for the man's mentality to grasp, for after saying "Hello," there was a long silence. Then the listener-in heard, "Say, kid, do you still love me?" And the Newfoundlander still wonders if it was worth $45 to the London caller to find out the state of his wife's affections.

MEMBERS of a small business club in Toronto got, the other night, the best dinner for a dollar that has been served since the days when beef steak sold at 12 cents a pound. They arrived at their hotel and the bulletin directed them to their private dining rom. The room was gaily decorated with model airplanes, flowers, lanterns, bunting, flags, etc. First came oysters, then soup, a delicate taste of something else, roast squab, and finally a rare dessert. The club members were amazed by the meal served to them. But they ate with gusto and questioned not the prodigality of the hotel in giving so much for so little. About eight o'clock a group of flying men arrived in the room and then the secret was out. Some visiting flyers were in town and the local aviators had arranged a special banquet for them. And the banquet, squab and all, had been eaten by the members of the club that got there first.

It is related that the hotel was duly apologetic for having mixed the numbers on the announcement board, and there was gotten together, in a jiffy, a second dinner as good as the first, which was eaten by the flying men without flags and decorations.

DRAMA is as old as the world, and the following chronicle, extracted from the works of Ming Chow, Chinese historian of 5,000 B.C., speaks for itself:

And in those days were certain men travelling fom town to town who acted plays in dumb show. These persons were known as mummers and carried out their play acting through mimicry and depicted many extraordinary happenings without making use of their powers of speech. These mimes were held in great favor with the populace and crowds would gather at the market square when the mummers chanced to pass that way.

And it so happened that there was one Pung Chi, a thrifty man and hard working. He held the players in great esteem and was always to be seen amongst those who enjoyed the antics of the mummers. But Pung Chi was a man of mature years and labored greatly in the fields each day; therefore he was wont to slumber peacefully during the play acting, after he had had his fill of enjoyment from the spectacle.

At that time there came a man from a foreign country who approached the leader of the mummers and said, "Hist to me for I will tell you how you may accomplish great things and please the people who witness your acting. And the mummers gathered eagerly to hear his words. And he said, "The power of sound is omnipotent; if you use speech in your play acting all people will marvel at you. So I say to you, Speak, Speak; make sounds and abandon your wonted silence." And the mummers said, "True, true, but what words shall we say?" And the other answered and said, "It matters not so long as you make sounds, for by this means will the people be amused."

So the mummers took his counsel. But when the people came to the market place and the play began they knew not what to say, so they made strange sounds and said, Ba, Ba, Ba, while one beat on a drum and another crashed the cymbals. And when they ceased all the people marvelled and cried out, "It is a miracle, yea never have we seen such play acting." And each spoke to his neighbor saying the same thing.

But Pung Chi alone remained silent and would not praise the mummers. And when chided for his silence he replied, "Nay, I am old and do not like change. For the mummers before were silent and gave me entertainment; when I had my fill, I slept. Now all this is changed; I cannot sleep, and hereafter I will rest in my cottage and content myself with dreams." And he went his way sadly for he was a peace-loving man.

In the Mail

Our Disappearing Forests

Editor, The Financial Post:

It is a wicked situation that Canada should be furnishing a rapidly exhausting raw material to the competitors of the Canadian paper industry, when this industry is facing conditions that cannot end short of bankruptcy unless immediate action is taken to control the output of paper through a reduction in the amount of the cut of pulpwood—a measure that is imperative for the purpose of conserving our small remaining wood supply.

As I have previously pointed out, we have no more right to destroy the wood supplies of this country, at the rate we are doing, than we have to enter a bank and take its money without giving anything in return. If we are to continue the practice, however, we should at least have the decency to expend what we receive for this wood, which is being filched from our descendants, in trying to repair some of the damage we have caused in doing so. If raw material for our wood using industries can only be provided by robbing posterity, our self-respect demands that we devote the pittance we receive to prolong the duration of the supply for at least a few years longer, which can only be done by our governments by reducing the amount of the cut on all Crown lands and turning back into the forests the returns they receive from their exploitation.

FRANK J. D. BARNJUM.

Montreal, January 30, 1930.

Advertising is Safeguard Against Depression

By PROF. E. H. MORROW, in MacLean's Weekly

An article in a recent copy of Printers' Ink called attention to the fact that three letters received in one day from three different financial brokers urged investors to pay more attention to companies whose records show that their earnings are not affected by stock market conditions and general business depressions. Each broker suggested the names of various companies whose records carry out this recommendation. In every case the company is and always has been a great national advertiser.

One broker stated the case in these words:

"We believe it is worth while to consider the advisability of purchasing stocks which have shown their ability to earn in periods of uncertainty. In this category should be included the stocks of companies which through national advertising have built up a public consciousness for the value of their products and which, therefore, have proved themselves almost immune to ordinary business conditions."

The names of such companies as the American Tobacco Co., Gillette Razor, National Biscuit, Eastman Kodak, Procter & Gamble, Canada Dry, D. S. Goodrich, E. W. Gillett, and so on represent the type of company listed.

Unquestionably, advertising leads to consistency in earnings. That is why we find great companies are great advertisers. Their earnings have always been consistent and, therefore, their growth has been steady and unchecked by adverse conditions.

The maker of a well-advertised product is in sound position to gauge demands because he is close to the consumer and because his advertising is in a mass market—and mass figures do not fluctuate greatly from time to time.

Consistent advertising brings wide consumer knowledge. Wide consumer knowledge brings an unfluctuating mass market.

A mass market means steady earnings. Steady earnings mean steady growth. Steady growth is success. Success spells advertising.

New Books

Canadian Law List

The 1930 edition of the Canadian Law List provides a directory of all legal firms in Canada and in addition gives much additional information of value for legal and business purposes.

A list of courts and their officers, judges, bailiffs, ad similar offices is given. Particulars are given of the disposition of intestate properties and the chief laws relating to business are summarized in brief fashion.

The publishers are the Canadian Law List Publishing Company, Toronto. Henry Cartwright, barrister, Kingston, is the editor.

The Foreign Trade of Canada

An English edition has been published by Macmillan of "The Foreign Trade of Canada," originally published in French by Dr. Henri Laureys, dean of the School of Higher Commercial Studies, Montreal. The English edition is by Professor H. A. Innis, Associate Professor of the Department of Political Science of the University of Toronto, and Alexander H. Smith, head of the English Department of Dr. Laureys' school.

Professor Innis and his associates have revised the material somewhat in making their translation. The work is fully authoritative and deals with the subject of great importance to Canada. Canada with its small population has turned to export fields to provide it with a basis for quantity production and in some lines, has developed an export trade that equals or exceeds home consumption. In some cases Canada has been able to establish its industries on such a sound footing that the tariff is of only academic interest.

The chief purpose of this volume is that of interesting Canadians in the importance of foreign trade. In this it is backing up the very able effort of the Minister of Trade and Commerce, the Hon. James Malcolm, who has by word of mouth and printed publicity done a great deal to give us an export consciousness. No better time could have been chosen for making the English translation of Professor Laureys' book. It is a volume that can well be studied by business men who are studying the possibilities of export trade in their own lines as well as by the general economic student.

Dr. Laureys is of the opinion that there is a necessity for organized practical effort in trade expansion. To this end he pays considerable attention to the work of our trade commissioners overseas, and to the propaganda work of public and private bodies and he outlines at some length the efforts of other countries to promote their foreign trade by governmental and private organization of an extensive character. By developing our export trade we will be able with a small population to build up a tremendous industrial organization in Canada. When Canadian manufactured goods are found in every market of the world taking their rightful place alongside those of competing countries the whole Dominion will benefit thereby and its prosperity increase. With this note the book ends.

The Foreign Trade of Canada is published by Macmillans in Canada, at Toronto and the price is $2.50.

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† Associated Gas and Electric Co. Convertible 5% Gold Debentures. Due February 1, 1950	90.00	5.85
† Insull Utility Investments, Inc. Ten-Year 6% Gold Debentures, Series "B". Due January 1, 1940	Mkt.	6.00

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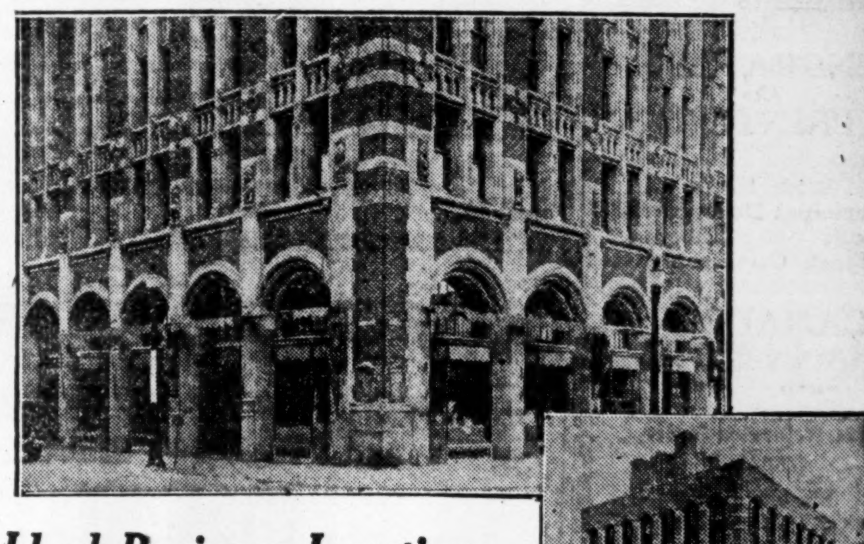

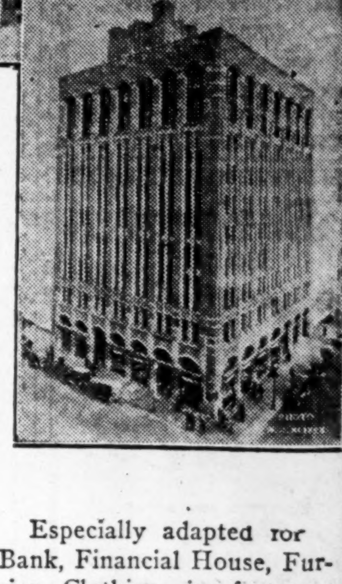

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Business Conditions in Canada

DOMINION ENTERS NEW FISCAL AREA OF PROSPERITY

Long Trend Discloses Heyday Ahead as Creditor

From Our Own Correspondent

MONTREAL. — Contradictory phenomena is found in the business outlook for 1930 by Cockfield, Brown & Co. in the Business Preview, issued quarterly by that organization.

Car loadings are seen as 25 per cent lower (November, 1929) than in the same month in 1928 and at the lowest point since 1924. On the other hand, building permits and construction contracts are at record level. Sales of life insurance fell off considerably toward the end of 1929, while a similar tendency is shown by bank debits, the best indication of the volume of business transactions. On the other hand, there is a powerful contrast recorded in the index of employment, which continues at record level. The most striking and sustained improvement over the preceding years is noted in the Maritime provinces.

Enters Fourth Cycle

As far as the long trend of Canadian business is concerned, the Dominion seems to be entering the third of four clearly marked phases in the large cycle of a nation's fiscal course.

"Up to 1914 Canada remained in the preliminary status of an Immature Borrowing Nation. In other words, the incoming tide of foreign capital exceeded the cumulative annual outflow of interest and dividend payments. It was an era of settlement and construction, rather than of production. Industry was still in the experimental stage, and tangible profits had yet to be realized. Mechanical equipment was being assembled and adapted but had still to be effectively and fully applied.

War Saw Change

With the coming of the World War, however, Canada entered the second state, namely that of a Mature Borrowing Nation, in which this cumulative annual total of returns exceeded the yearly increment of capital from abroad. This second stage, from which the Dominion is emerging at the present time, finds a clear analogy in the fiscal condition of the United States between 1876 and 1914; even as the previous stage in Canada was comparable to the condition of her southern neighbor prior to 1876.

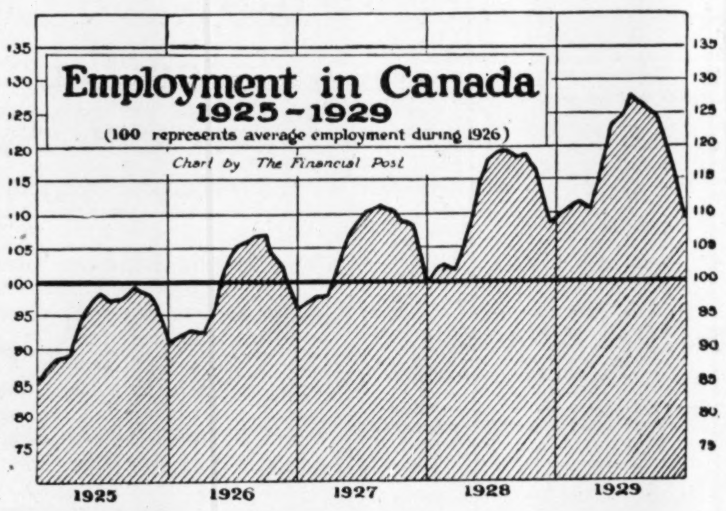
The fact that Canadian investments abroad have, for the past four years, exceeded the annual totals of foreign investment in Canada, indicates that this country is now entering upon the third stage of fiscal growth, namely that of Immature Creditor Nation. From the experience of other and older countries, this stage has been shown to represent the heyday of a nation's prosperity, for it is during this period, when a country's annual volume of foreign investments exceeds the cumulative returns from its previous investments abroad, that the greatest and most secure expansion of her foreign and domestic markets takes place.

We may therefore conclude that, allowing for the smaller scale of Canada's economic structure, she can yet look forward to several decades of a fiscal condition in which expanding markets, increased industrial output, lower unit costs, and higher unit earnings are assured. Thus, from a long view, the apparent set-back which we are now experiencing should exercise but a transient influence on the general economic trend in the Dominion.

Steel Plants Pleased With Demand

	Canada	United States
Commodity Prices:	Wheat slumps to lowest point in many months.	Cotton prices slump $1.50 to $2.50 per bale to new low.
Iron and Steel:	Primary plants find automobile company demand very encouraging.	Steel mill operations jump 60 to 66 p.c. as against 83 p.c. in 1928.
Foreign Trade:	Grain exports for year drop 34 p.c.; total trade lower.	49 p.c. of '29 exports were manufactures as against 44.9 p.c. in '28.
Employment:	Trade union unemployment at Dec. 1 up to 9.3 p.c.; highest since 1925.	Retail trade seen to have slumped only 2 p.c. during December.
Car Loadings:	Heavy pulpwood loadings continue to offset wheat drop.	Weekly report shows 84,500 cars below 1929. All groups decrease.
Stock markets:	Prices sustained in face of momentous action against mining brokers.	Fear that sudden January business recovery may lead to premature bull movement.
Credit:	Commercial needs fairly well met despite grain tie-up.	Commercial loans higher than year ago; brokers loans far less.
Trend:	Steel plants highly encouraged by sustained and slowly increasing demand.	January shows unusual upturn in business indices, particularly in steel and heavy construction.

Employment in Canada



Although the index employment as at January 1, 1930, was higher than in any corresponding period since 1920, there has been considerable unemployment hardship, particularly in the West due to the rapid construction that has taken place since July, 1929.

Dominion-Wide Survey Required for Solution Of Employment Problem

Apparent Clash Between Statistics and Western Mayor's Reports on Unemployment Focuses Attention on Big Problem

A Weekly Review of Business Conducted by The Financial Post

A doughty battle between the mayors and the statisticians is seen as the Western unemployment delegation head toward Ottawa. The official Dominion report on employment throughout Canada appeared last week just as the mayors, and western provincial representatives convened at Winnipeg. The employment report says that although there was the customary January curtailment, conditions as at January 1: "continued better than on the corresponding date in any other year since the record was instituted in 1920."

The mayors, on the other hand, submitted that conditions were worse than during 1921 and 1922. Every province and practically all the western cities were officially represented, the only exception being Alberta, which was prevented from attending due to the opening of the legislature. Premier Brownlee of Alberta, however sent a message to the conference in which he stated that "the unemployment situation is today worse than in any year since the province was formed."

Unusually Sharp Contraction

As already pointed out in this column, this discrepancy between what is considered the official Canadian indicator of employment conditions and the actual experience of municipal officials, arises largely through one factor, namely, the unusually sharp drop in employment, particularly in the last two months. That is to say, while it is true that conditions, as pointed out by the Dominion Bureau of Statistics, show "better employment than at any time since 1920," it is equally true that at no time since 1922 has there been such a sharp contraction in employment in such a short time. Last month the drop was 4 per cent; this month the drop was 6.7 per cent.

A glance at the accompanying graph shows clearly this extreme fluctuation. True, part of this is seasonal, but as can readily be seen, the fluctuation from the height of summer or fall activity to the low ebb of January conditions, has never been equalled during the last seven years.

February Will Test

A real test of actual conditions will probably be found in the next monthly report of the Dominion Bureau of Statistics, which will report conditions as at February 1. It will be noticed from the graph that at no time in the last seven years has the index failed to record an upward move in February. A stationary or downward movement as at February 1, would therefore be indicative of an exceptional recession in activity throughout the Dominion.

Incidentally, while western officials are urging Dominion co-operation in relief measures; curtailment of immigration; unemployment insurance and similar panaceas, an informative and constructive analysis of a local situation has emanated from the Border Cities, where Justus Miller, managing secretary of the Border Chamber of Commerce, has completed an industrial and employment survey. This shows, among other things, that 28 industries, employing at least 15 people each, were established in the Border Cities during 1929, and that not only was 1929 a peak year for employment in these cities, but that furthermore, the percentage between high and low employment peaks was lower than in either 1927 or 1928, in spite of the fact that the number of commuters across the border to the United States has dropped from 12,000 daily to 6,736. If each delegate to Winnipeg could have been armed with such a document, the results of that conference would be just that more valuable.

Another extremely interesting point made by Miller is that the fluctuation is by no means entirely due to automotive industry. At one time in 1929 there were 9,631 workers from other types of plants among the unemployed. Non-automotive industries showed a percentage of 37.9 per cent unemployed.

Commission is Remedy

As a means toward maximum improvement of local conditions, the report urges that all funds for public works be spent during periods of normal seasonal depression; that industry, through co-operation, eliminate seasonal employment as much as possible, and that citizens plan remodelling and similar work about their homes with the same thought in mind. While these suggestions and many of those brought forward at Winnipeg are valuable, an even more important move, as suggested in The Financial Post on January 9, and reiterated by the Western Canada Unemployment Conference, is the establishment of a permanent economic commission to study the question of seasonal employment, not merely with the idea of relieving a temporary situation, but rather to see how best to meet a permanent condition.

Survey of Cities

Unemployment conditions in eight leading cities, as at January 1, 1930, are as follows:

Montreal.—The decrease in Montreal involved a larger number of workers than that registered on Jan. 1, 1929, but the index on the date under review was higher than at the beginning of last year and of every other year for which statistics are available. Important declines were shown in construction and transportation, and also in manufacturing, especially in food, textile and iron and steel factories. On the other hand, additions to staffs were noted in the service group, particularly in hotels and restaurants.

Quebec.—Manufactures, construction and shipping reported a loss in employment in Quebec City, where 123 employers reduced their staffs from 12,842 persons on Dec. 1, to 12,530 at the beginning of January. This decrease was less than that indicated on Jan. 1 of last year, and the index continued considerably higher than on the same date in earlier years of the record.

Toronto.—Toronto firms reported a larger seasonal contraction than on Jan. 1, 1929, but employment continued in rather greater volume than at the beginning of any other year of the record. There were declines in manufacturing, the most noteworthy being in textiles and foods; construction, transportation and services were also seasonally slacker, but trade and communications showed considerable improvement.

Ottawa.—Manufactures and construction registered seasonal curtailment, while transportation afforded greater employment. The working forces of the 146 reporting establishments aggregated 13,093 persons, or 386 fewer than at the beginning of December. This reduction involved a smaller number of employees than that recorded on the same date of last year, when employment was in less volume.

Hamilton.—Data were received from 214 firms in Hamilton employing 36,839 workers, as against 38,262 on Dec. 1. Manufactures, construction and shipping showed reduced activity, while only small changes were indicated in other groups. The declines noted on Jan. 1, 1929, were not so extensive, but the index was then many points lower.

Windsor and the Adjacent Border Cities.—There was a rather larger contraction in the Border Cities than on Jan. 1, 1929, when employment was in greater volume. Manufactures and construction were seasonally quiet. Returns were compiled from 132 establishments with 14,545 persons in their employ, or 822 less than on Dec. 1.

Winnipeg.—Manufacturing and construction registered the most extensive declines in Winnipeg, but trade was also slacker, while communications showed improvement. The 336 co-operating firms reported 32,845 employees, compared with 34,065 in the preceding month. This reduction did not involve so many workers as were released on Jan. 1, 1929, when employment was in practically the same volume.

Vancouver.—Further reductions took place in Vancouver, according to returns from 276 employers of 27,956 persons, as compared with 29,376 on Dec. 1. Practically no change had been indicated on the same date of last year, but the index then was a few points lower. There were pronounced losses in manufacturing, construction and trade on Jan. 1, 1930, as compared with the preceding month.

Coke Production in December of 221,000 tons was slightly below the November figure but two per cent higher than in December, 1928. Production for the entire year 1929 totalled 2,673,000 tons, an increase of 16 per cent over the previous year. Consumption in Canada during 1929 amounted to 3,875,200 tons compared to 3,343,000 tons consumed a year ago.

Consol. Smelters Plant Progressing

From Our Own Correspondent

MONTREAL.—Preliminary construction at the site of the Consolidated Mining and Smelting Company's new fertilizer plant at Warfield, B.C., is well under way and progressing favorably.

The plant will likely be producing by the fall of 1931, when the company will enter into the fields of chemical and chemical fertilizer production. Pure hydrogen, oxygen and nitrogen will be among the primary products produced, while ammonia will be among the synthetic manufactures.

Canadian Employment Situation Jan. 1,'30

	Gains	Losses	Index of Activity* 1930 Jan. 1	1929 Dec. 1	1928 Jan. 1	1928 Jan. 1
Maritimes	Transportation	Manufacturing, Construction	113.6	113.3	103.3	97.1
Quebec:	Communications, Services	Manufacturing†, Construction, Transportation	107.4	118.4	103.3	99.6
Ontario:	Logging, Retail Trade, Communications	Construction, Manufacturing‡, Transportation	116.1	123.1	113.8	101.9
Prairie Prov.:	Logging, Telephone	Manufacturing, Construction, Transportation, Mining, Trade	111.0	119.0	116.6	107.5
Br. Columbia:		Construction, Logging; Lumber, Transportation, Food Factories, Mining	99.1	108.3	100.4	91.4
All Canada:	Communications	Construction, Trade, Manufacturing, Transportation, Mining, Logging	111.2	119.1	109.1	100.7

*Average during calendar year, 1926—100.
†Notably textiles, food, lumber, pulp and paper, iron and steel.
‡Notably textiles, food, lumber, iron and steel.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Latest 1929	Latest 1928	Cumulative for Year 1929	Cumulative for Year 1928
Weekly				
C.P.R. Gross Earn. (Jan. 21, '30)	$ 3,120,000	$ 3,833,000	$ 8,251,000	$ 10,640,000
C.N.R. Gross Earn. (Jan. 21, '30)	$ 3,859,324	$ 4,123,773	$ 10,935,658	$ 11,521,565
Car Loadings (Jan. 25, '30)	141,051	136,848	210,184	220,823
Stock Index (Jan. 30, '30)	856.1	1039.5	......	......
Production— (Monthly)				
Pig Iron, tons (Dec.)	82,632	103,450	1,090,244	1,037,535
Steel, tons (Dec.)	82,415	103,054	1,379,688	1,240,214
Newsprint, tons (Dec.)	230,008	208,484	2,728,827	2,381,102
Automobiles (Dec.)	5,495	9,097	263,295	242,054
Boots and Shoes, pr. (Nov.)	1,473,741	1,555,467	18,230,074	18,744,787
Flour, bbls. (Dec.)	1,073,308	1,672,000	18,554,059	19,791,045
Construction—				
Building Permits (Dec.)	$ 15,585,992	$ 16,095,160	$ 235,658,000	$ 219,105,000
Contracts (Jan. 30)	37,529,900	41,962,900	......	......
Labor—				
Employment Index (Jan. 30)	111.2	109.1	......	......
Trade—				
Imports (Dec.)	$ 84,365,155	$ 94,620,925	$1,298,992,692	$1,222,317,916
Exports (Dec.)	$ 90,477,241	$ 133,245,240	$1,208,358,430	$1,374,246,233
Imports of Key Products—				
Rubber, lbs. (Dec.)	4,734,830	5,865,337	79,511,819	69,220,318
Cotton, lbs. (Dec.)	13,028,920	17,480,798	136,296,702	134,103,616
Sugar (Dec.)	1,180,058	1,145,720	21,218,462	27,681,959
Petroleum, crude, gal. (Dec.)	73,582,859	79,939,411	1,129,318,884	917,317,707
Coal, tons (Dec.)	1,484,436	1,714,023	18,190,055	17,194,761
Exports of Key Products—				
Newsprint, cwt. (Dec.)	4,403,410	4,263,244	50,212,660	44,131,754
Automobiles, No. (Dec.)	4,866	6,646	101,711	79,388
Wheat, bush. (Dec.)	15,960,792	49,088,963	210,945,565	365,428,561
Wheat, flour, bbls. (Dec.)	604,979	922,965	9,522,920	10,737,266
Electric Power—Output—				
M. Kilowatt hours (Oct.)	1,594,283	1,460,448	14,493,268	13,048,998
Population—				
Emigration (Nov.)	6,089	7,055	......	......
Immigration (Oct.)	8,817	8,041	153,764	154,423
Finance—				
Failures, No.	......	......	2,082	1,862
Failures, Liabilities	$	......	$ 31,792,233	$ 36,423,424
Bank Debit (Dec.)	$3,804,648,764	$3,866,181,970	$46,670,481,838	$43,476,959,100
Bond Sales (Dec.)	$ 120,356,303	$ 56,034,399	$ 649,055,800	$ 440,414,519
Insurance Sales (Dec.)	$ 55,350,000	$ 56,647,000	$ 614,727,000	$ 579,619,000
Wholesale Prices (1913—100)—				
General Index (Dec.)	96.2	94.6	......	......
Iron (Dec.)	93.5	93.0	......	......
Cottons, raw (Dec.)	98.8	113.7	......	......
Grains (Dec.)	96.0	83.2	......	......
Cattle (Dec.)	109.7	109.4	......	......

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Joint Investments, Ltd., of Toronto, which has undertaken to do the financing of the company, is now making an offering of 25,000 of its units. These consist of one share of preferred stock at $25, one share of Class "A" valued at $13.25 and one share of Class "B" valued at $5, or a total per unit of $43.25.

To the four who have been acting on the board up to the present—Senator J. P. Rankin, Stratford; Lachlin Cameron, Toronto; Herbert A. Telfer, Toronto, and J. M. Childerhose, Toronto—there have been added the following seven: Edgar B. Barber, Sault Ste. Marie; Eugene F. Wwyer, St. Catharines; P. A. Hinds, Toronto; Charles A. Wismer, Toronto; Maynard C. Froemke, Toronto; E. A. Frost, Toronto, and Louis Bisonnette, Toronto and St. Catharines.

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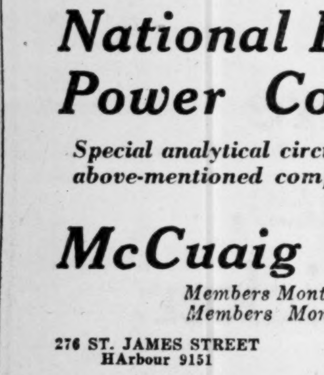

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TO BUILD NEW MILL

Shareholders Asked to Approve $2,000,000 Plan; Working Capital Grows Substantially

Page-Hersey Tubes had operating profit for 1929 of $1,970,139, including $70,447 investment income, compared with $1,720,731 in 1928. On the basis of 174,620 shares, which will be outstanding the balance of the preferred is converted, profits for last year thus are $11.27 per share, contrasted with the equivalent of $9.85 per share in 1928. At the end of 1928, there were outstanding 140,502 common shares, on which the profit was $11.30 per share after preferred dividends. This was a gain from $7.02 for 1927.

At present there are 173,430 common shares and 595 shares of preferred outstanding. The preferred is convertible into twice the number of common shares. As the common dividend is $4 per share, contrasted with the 7 per cent payable on the preferred, it is expected that the remainder of the preferred will be converted shortly.

Dividends of $12,444 were paid on the preferred and $678,107 on the common stock, leaving a surplus for the year of $1,297,587, which has been added to surplus, increasing the total from $1,180,449 to $2,460,037.

Current Ratio Good

Net working capital is up by $1,292,322 to $5,732,819. The ratio of current assets to liabilities is almost 12 to 1. Current assets are valued at $6,321,669 against liabilities of $588,850. These figures compare with $4,978,264 and $222,562, respectively, at the end of 1928.

Current assets consist of cash of $654,554, bills receivable of $16,210, accounts receivable of $865,901, advances to subsidiary companies $714,901, employees bonus fund $83,656, investments of $2,260,375 and merchandise inventory $1,726,070. Accounts payable of $22,034, bills payable of $189,457, dividends due of $172,787, miscellaneous $3,396, taxes of $161,920, and accrued wages of $39,256 make up current liabilities.

Total assets are valued at $9,887,308, including fixed of $3,565,639.

Directors in their report say stockholders are asked to confirm the action of the board in making an appropriation of $2,000,000 for the erecting of a seamless tube mill. Officials point out in this connection it has been the constant aim of the company to supply the requirements of the Canadian tubular trade and a seamless mill is necessary as the needs of the Alberta and Saskatchewan oil and gas fields call exclusively for seamless materials.

Most Successful Year

President W. W. Near states the year just closed has been the most successful in the history of the company. He points out that profits, while quite satisfactory, have not increased in ratio with sales values, largely brought about by reduced prices on line pipe and oil country goods.

All the outstanding bonds have been retired. Conversion of the preferred into common has reduced the preferred issue from 17,059 shares, at the date of the last annual report, to the present total of 595 shares. The number of shareholders has been increased from 1,056 to 1,512.

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1929 $	1928 $	1927 $
Oper. profit*	1,899,692	1.616.152	......
Int. on invest.	70,447	104,579	......
Net profits	1,970,139	1,720,731	1,021,600
Less approp.:			
Pref. divds.	12,444	133,327	200,909
Com divds.	678,107	406.955	341.152
Surp. for year	1.279.588	1,180,449	479,539

*After bond interest, taxes and depreciation.

Ceramic Society Invites Delegates to Bi-Centennial

The Ceramic Society of England is inviting the attendance of delegates from a large number of countries to attend the bi-centennial celebration of Josiah Wedgewood, which will be held at Stoke-on-Trent during the week of May 18, 1930.

Attendance of Canadian delegates will bring prominence to the resources of feldspar and china clay to be found in Canada. The delegates are requested to prepare papers on the ceramic industry of their respective countries in order that the discussion may be international in aspect. The foreign papers will be translated into English.

CHARTERED TRUST REPORTS GREATER EARNINGS IN 1929

Assets at $21,236,161 Show Increase of 29.6 Per Cent

Chartered Trust and Executor Company for 1929 had net earnings of $100,322, before depreciation and income tax, as compared with $80,813 in 1928. The net earnings for the year were at the rate of 10.46 per cent on the average paid-up capital. After deduction of $4,741 for depreciation and $7,219 for income tax, the company shows a net profit of $88,372 of which $57,537 was paid in dividends, $20,000 was transferred to contingent reserve and $15,000 transferred to rest account. The balance brought forward was $1,868 and $4,275 was received as premium on capital stock. The balance carried forward to 1930 was $1,979.

Total assets at $21,236,161 compare with $16,382,458 shown in 1928, an increase of 29.6 per cent and depositors and guaranteed funds have increased from $2,283,901 in 1928 to $2,691,531 in 1929. The estates, trusts and agencies account totals $17,103,579, an increase of $4,285,545 over the previous year. Subscribed capital as at Dec. 31, 1929, was $987,000. The company paid dividends of six per cent on the paid-up capital during 1929.

Earnings Record

Year	Paid-up Capital	xProfits	Earned %	Div. Rate
1923 ...	$516,802	$17.073	3.3	7
1924 ...	519,308	28,236	5.4	7
1925 ...	520,882	30,757	5.9	5½
1926 ...	520,942	39,510	7.6	5
1927 ...	522,844	74,881	14.3	5¼
1928 ...	908,320	74,312	†14.3	6
1929 ...	987,900	93.114	9.7	6

x Provision for income tax deducted.
† On average capital employed.

MUTUAL FINANCE CP. PROFITS $114,631

The net earnings of the Mutual Finance Corporation, which amounted to $114,631 in 1929, represented a material increase over 1928. Out of this sum $71,820 was paid out in dividends on the preferred and common stocks, $8,940 in Federal and business taxes, and $33,870, before write offs, was transferred to surplus and deferred profits.

The surplus account presently stands at $273,155, having steadily increased to that amount from $9,574 in 1919.

A. F. Healy, the president of the corporation, drew the attention of the shareholders at the annual meeting to the efforts that have been made in some quarters to obtain stock certificates with a view to effecting an exchange. It was usually represented that the corporation was about to merge with some other financial organization but he gave them the assurance that nothing of this kind had been, or was being, discussed.

INCOME AND SURPLUS ACCOUNT
Year Ending December 31.

	1928	1929
profit of	$108,486.49	$114,361.32
Which was distributed as follows:		
Divids. pref. stock...	54,720.00	54,720.00
Com. stock...	17,100.00	17,100.00
Federal and business taxes	9,142.58	8.940.77
Transferred to surplus and deferred profits	27.528.91	33.870.55
	$108.486.49	$114,361.32

Lack Funds to Finance Those Wishing to Take Up Stocks at Mining Brokers

(Continued from page 1)

they continue to carry their accounts with their present brokers or seek new brokers or banks to carry their accounts is a matter for personal choice. Unfortunately many brokers whose business has not been placed under suspicion have reached the limit of their own resources in taking on new accounts, while the banks are not showing any disposition to enlarge greatly the amount of money available for financing loans on mining shares.

* * *

Informed Public Opinion Took But Three Months To Force Mine Clean Up

First Exposure By The Financial Post Came November 7, 1929

Without co-operation of the editors of the influential newspapers in Canada and the support of many hundreds of investors, it would have been impossible to have made any real progress in cleaning up the ruthless exploitation of Canada's mining industry by sinister practices unprecedented in their boldness and extent.

When on November 7, 1929, The Financial Post declared that a cynical exploitation of public confidence and a brutal plundering of mining investors was curbing the progress of a great industry, and announced its intention of facing the situation and making clear, so far as lay within its power, the then situation relating to mining markets, it brought upon itself a shower of congratulations and a storm of abuse such as have seldom been faced at any one time by a newspaper.

Newspapers and Public Give Support

Week by week, The Post revealed the nature and extent of the bucketing of orders, washing of sales, manipulation of prices, maintenance of decoy houses, chiselling of prices, etc. Literally, hundreds of readers of The Financial Post wrote letters outlining their experiences and views. Scores of engineers, mining men, prospectors, business men, financiers, brokers, and others, provided by letter or personal calls, information that confirmed or added to the information in the possession of The Financial Post.

Other newspapers were not long in taking up The Financial Post's campaign. The Toronto Globe, particularly in the last few weeks when government action was needed and seriously delayed, gave sterling support. The Victoria Times, The Port Arthur News-Chronicle, the London Advertiser, the Kitchener Record, the Edmonton Journal, the London Free Press, the St. Catharines Standard, the Chatham News, the Canadian Mining Journal, the Ottawa Journal, the Manitoba Free Press, the Sault Ste. Marie Star, and other papers gave valuable support. Later the matter was taken up by political leaders and public-spirited business men in different provinces. The cumulative effect of the sensational disclosures was to inform the public and to arouse the public and while there was, in some directions, delay in taking the necessary governmental action, eventually a nation-wide clean-up campaign was started within three months of the time when The Financial Post began its efforts to achieve this objective.

Facts Placed Before Proper Authorities

During the course of The Financial Post's investigation, much information was uncovered. Certain facts of a general or specific character were communicated to the responsible officials of at least four provinces, while the articles published by The Post were each week placed before the Prime Minister and the Attorney-General of each of the nine provinces.

Shortly after the first articles appeared, a deputation of members of the Ontario legislature representing the North country constituencies, placed a file of these articles before acting Prime Minister and Attorney-General Hon. W. H. Price, with a demand for immediate action.

The campaign was not received in every quarter with delight. Obviously brokers who had been guilty of the practices objected to, brought pressure to bear upon The Financial Post to discontinue its series of articles. Also a number of brokers, believed by The Financial Post to be conducting a thoroughly honest business in mining and oil shares, felt that a quiet clean-up from the inside could be arranged without arousing public discontent, and for that reason they too suggested that The Financial Post was going too far. But among the brokers of this type there was a majority that gave support and, in some cases, valuable information to The Financial Post. Many of them pointed out that their own efforts to have the situation cleaned up had met with resentment.

Threatened to Close Up Shop

One of the largest brokers who was recently placed under arrest, declared to The Post that short selling by brokers was absolutely essential to the development of the mining security business in Canada and his arguments and admissions were fairly presented in an article in our issue of November 14. It may be pointed out that this interview attracted more attention than any other individual article in the series. It was generally interpreted as indicating a very callous and impenitent attitude on the part of such brokers, nominally interested in the development of mining in Canada, but actually conceiving their duty to be the provision of a gigantic and extravagant casino for gamblers.

Another mining broker, also out on bail at the present time, stated that if his business were investigated he and his partners would go out of business as they had no intention of submitting their affairs to the investigation of any governmental body. As quoted in The Financial Post of November 14, he stated that the partners in his house had made all the money they needed to live as they wanted to live for the rest of their lives. They were, he said, conducting their business on lines that they believed to be correct, but they felt that the public would not understand. If they were forced to face a governmental investigation they would go into volnntary liquidation, pay off their clients and go out of business, a prophecy not without some interest in the light of recent events.

The Financial Post believes that it has demonstrated that public opinion, when served by a fearless press such as the support of so many newspapers has demonstrated to exist in Canada, is a force that cannot be ignored by any group, however powerful financially or politically, or by any government.

The Financial Post also believes that public opinion will with equal force bring about the development of a better system of financing Canada's mining future.

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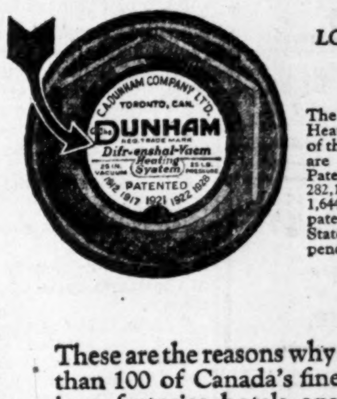

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The Dunham Differential Vacuum Heating System and individual parts of the apparatus used in this system are fully protected by Canadian Patents Nos. 282,193, 282,194 and 282,195 and U. S. Patents Nos. 1,644,114 and 1,706,401. Additional patents in Canada, the United States and foreign countries are pending.

The 96-suite Renfrew, Toronto, has been built by Grimshaw Brothers to provide apartment accommodation offering all modern conveniences and comforts at modest rentals. The Dunham Differential Vacuum Heating System has been installed in this apartment group, and in twenty-five other new Canadian apartment buildings, because it satisfies, as no other system can, the dual requirement of maximum comfort for occupants at a minimum of operating expense.

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HOW MUCH SAVING?

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(QUEBEC)
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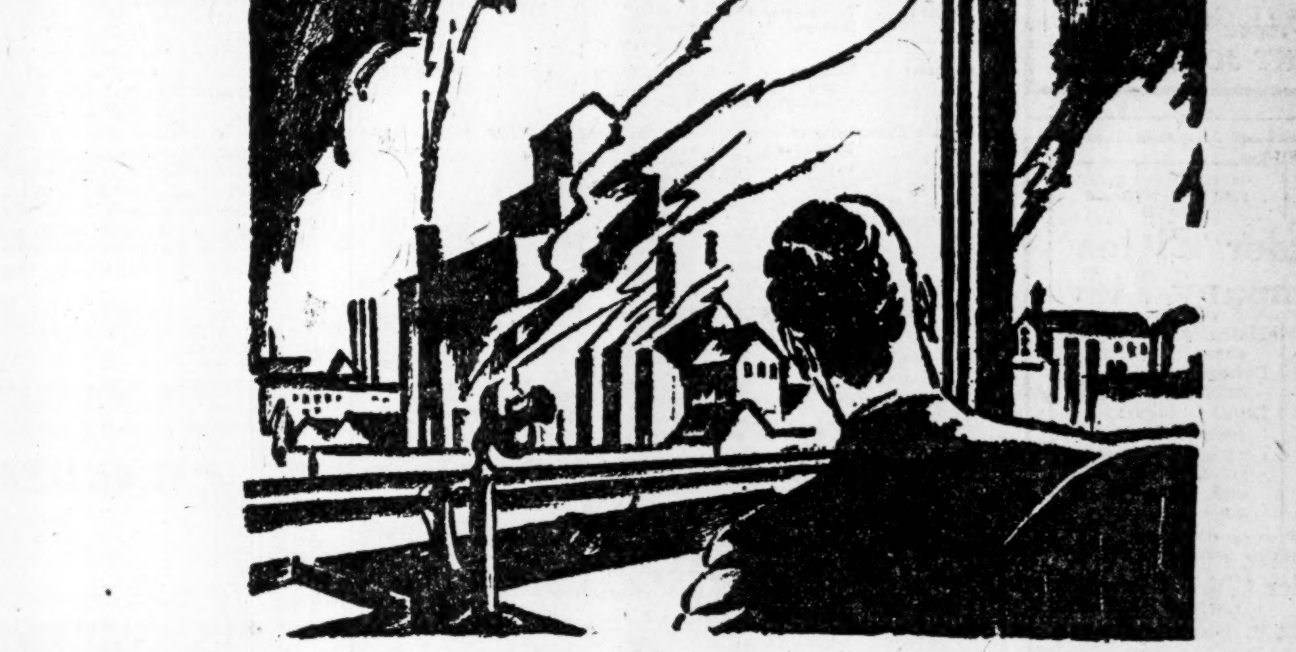

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Buying-habits in Quebec City District, as elsewhere, are powerfully influenced by a group of men and women whose judgment, taste and buying-preferences have established them, whatever their place in the financial scale, as leaders in their community.

The Quebec CHRONICLE-TELEGRAPH readers are chiefly consumers of this class. They include leading manufacturers, merchants and professional men, their wives and their families. They include also that army of general managers, engineers, superintendents, working foremen and trained mechanics responsible for the direction and operation of the great hydro-electric power plants which line the streams of the Quebec City District--responsible, too, for the administration of close to a *quarter-billion-dollar* investment in pulp and paper mills.

Because the Quebec CHRONICLE-TELEGRAPH is the outstanding newspaper in its field, it is read not only by those who speak English exclusively, and by English who also speak French, but also by the leading representatives of that every-growing body of French people who speak English with much the same facility as they do their native tongue.

The Quebec CHRONICLE-TELEGRAPH's influence among this well-defined, responsive buying-group is unapproached by any other daily in the Quebec City District market.

Chronicle-Telegraph
(QUEBEC)
A paper whose readers influence the buying of all Quebec City District consumers.

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Ford Motor

I bought 25 Ford "A" stock at 30. What do you think of this security, and is it one that I should hold?

Ford Motor "A" stock is regarded as a good purchase. The position of the company in the Canadian automotive field, as you are aware, is outstanding and if there is no restriction of buying power, the company should be able to report satisfactory earnings on its common stock. This is one of the few motor stocks in Canada or the United States, which is being recommended by investment services.

Industrial Alcohol

Would appreciate having your opinion on the outlook for Canadian Industrial Alcohol.

It is not possible for us to form an adequate opinion upon the outlook of Canadian Industrial Alcohol until the present lawsuit in respect to a change in the executorship of Sir Mortimer Davis estate is settled by the courts

Inter. Utilities

I own a few shares of International Utilities "A" stock, purchased at a price slightly above the current market level. Do you think that the company can maintain its present dividend?

International Utilities stock is not overly strong, but in view of the fact that you are receiving a good dividend on the money invested, we do not think it worth while to switch to another security. The latest earnings statement of the company shows a satisfactory position and we do not think that the "A" stock dividend is in any danger.

Distillers-Seagram

Will you be good enough to let me have your opinion on the common stock of Distillers-Seagrams? I am thinking of purchasing a few shares and am prepared to hold.

Distillers-Seagrams common stock is a long hold. This company has come ahead rapidly in the last couple of years, and due to its strong connections with English manufacturers, should do well in the future. The distilling situation, however, is not at all satisfactory, but may show improvement.

Noranda

Among my holdings are 25 shares of Noranda, purchased at 37¾. Do you think Noranda will be able to maintain its present dividend?

We recommend that you continue to hold your Noranda stock. At present it is showing a good profit, but in view of the fact that it is paying a dividend of $3 a share and should be able to maintain that disbursement, the stock might well sell at a higher figure. The company's programme for 1930 covers a heavier production, and if the copper price is maintained, the company should be able to report larger earnings. Furthermore there have been recent developments with respect to new ore bodies, which are regarded as a strengthening factor in considering the stock marketwise.

Investment Policy

My client already has a substantial sum of money invested in the common stock of Shawinigan, Imperial Oil, Power Corporation of Canada, Montreal Power, Quebec Power, Amulet and Canadian Pacific Railway. I have recommended to him that he purchase some bonds in order to give a sound foundation to his investment policy. This client has several years of good earning power before him and does not see the necessity of buying anything but common stocks. What do you think of this policy? Further, he now has a large sum of money for investment, and I would appreciate any suggestions which you have to make.

The fundamental principles of an investment policy is to have a good reserve of bonds, cash, or other securities which are not necessarily subject to market fluctuations, or which could be realized upon readily. For a man with substantial capital, such as your client, a good investment policy is 25 per cent bonds, 25 per cent of preferred stock, 25 per cent of sound common stock, and 25 per cent of speculative issues. While we do not necessarily agree with the latter proportion, we think that no matter how small, or how big the estate, there should be a foundation of gilt edge securities.

One important fact you did not mention in your letter, was whether or not your client was holding his common stock on a marginal or outright basis. If he has bought outright the stocks mentioned in your letter, we are of the opinion that he does not need to worry about market fluctuations, as over a period of years all of them should return a good yield in the form of enhanced appreciation. In making this comment, we refer more particularly to the common stocks, and not the mining issue. Amulet, of course, must be considered as a speculation and whether it comes through depends upon many factors.

In regard to the investment of your client's surplus, we would suggest that he lay out a definite policy in regard to his investment. While those stocks he has already purchased are first rate, he should take into consideration the laying of a foundation. He should, for example, have a substantial stock of life insurance. our client may contend that he has sufficient money to retire upon, but on the other hand, death duties would take a large share of his estate. Then he should have some gilt edge bonds.

After having provided for the bonds and insurance, then it is time enough to consider the investment of the balance of his funds. As your client has "several good years of earnings" ahead of him, we do not think that he need concern himself much with preferred stocks, which are bought primarily for yield. Of the common stocks, on which are possibilities for further appreciation over the next few years, we would recommend for consideration Shawinigan, International Nickel, International Petroleum, Imperial Oil, British American Oil, Noranda, Montreal Power, Power Corporation of Canada, Sherwin-Williams, Dominion Bridge, Imperial Tobacco, Quebec Power, Steel of Canada, Bell Telephone, and National Breweries. This list of stocks is not final by any means, nor does the order in which they are listed, represent their respective merits. They are cited, chiefly, for the reason that they give you an idea of the type of stocks in which your client should invest.

Some of the stocks mentioned, your client already holds, but in the purchase of additional stocks he should give consideration to industries, geographical location, and other primary factors considered in regard to the investment in common stock.

Canadian Celanese

I am thinking of purchasing ten shares of Canadian Celanese preferred and I write for your approval before doing so. It would appear that the only trouble with Canadian Celanese is that it takes time to get into profitable production, and has now about reached that stage. With the stock around 50 and several years accrued dividends, it looks like a desirable purchase.

Celanese has come ahead in the last year and its report for 1929 should show earnings close to or in excess of preferred dividend requirements. This does not necessarily mean that the company will start paying the preferred dividend, which is now some 28 per cent in arrears. As a matter of fact, it is likely that the company will not pay any dividends for at least another year, or until it has put the business on a well-established basis. In view of the fact that the preferred dividend is 28 per cent in arrears, the stock looks attractive at the current price. If you are prepared to hold this stock for two or three years, we are of the opinion that the investment will be worthwhile.

Royalite

Why does not the Imperial absorb Royalite, as no one seems to know exactly where Royalite gets off at?

Take the last deal with Lowery, according to published reports, it would appear that Royalite gives up 360 acres for no return, the new company being under Imperial.

On the other hand, a published report says Home received its drilling bills from Royalite. I doubt if anyone can tell us exactly what Royalite is.

In reply to your question as to why Imperial Oil Ltd. does not absorb Royalite Oil Co. Ltd., can best be answered by advising you that the Imperial Oil Co. is a holding company owning approximately ten operating subsidiaries which include refineries, pipe-lines, oil producing companies and the Northwest Co. Ltd., an exploration and drilling company operating in Alberta. The Imperial Oil Ltd. owns 85 per cent of the outstanding capitalization of the Royalite Oil Co. Ltd. and directs its operations.

In connection with a recent deal between Imperial Oil Ltd. and Lowery Petroleums Ltd., we wish to advise that the 360 acres turned in by Imperial Oil Ltd. to form the Southern Lowery Petroleums Ltd., never belonged to the Royalite Oil Co., and, therefore, they did not figure in the transaction. This particular lease was acquired and has been held continuously in the name of Imperial Oil Ltd., and, therefore, when the Southern Lowery Petroleums Ltd. was incorporated Imperial turned in this acreage receiving 600,000 of the 1,000,000 shares authorized of Southern Lowery Petroleums Ltd. stock in return.

We see nothing mysterious about the operations of the Royalite Oil Co. Ltd. or Imperial Oil Ltd., in fact, these companies make public full information regarding their operations.

If you are interested in receiving complete information of these two companies we shall be pleased to mail you our printed analyses, giving every detail of their operations, upon receipt of $1 for each analysis.

Sentinel Oils

What is your opinion of Sentinel Oils?

In our opinion Sentinel Oils is one of the least attractive of the Turner Valley oil stocks. The company's property, according to the best authorities, is not on structure and in view of the fact that the management apparently is not pursuing the development programme very energetically the stock does not appear to us to be attractive. There is other acreage which may or may not be worth anything.

Monarch Royalty

What is your opinion of an investment in the Monarch Royalty Corporation preferred stock at $1.50 per share, yielding 12 per cent interest monthly?

Oil royalty companies buy from the owners of land the owners' rights or royalties to a share of the oil which is extracted from the ground by the oil company owning the drilling rig or drilling rights. The success or failure of an oil royalty depends on the luck or judgment of the person selecting the royalty to be bought. As all wells constantly are petering out, it is necessary for an oil royalty company constantly to be buying new royalties. And as a royalty company may easily continue to buy royalties in a field which is petering out there is a heavy speculative element. The distance between a Canadian shareholder and the field of operation and management also is a factor to be considered.

The worst of these companies are gambles or organizations which are not formed with the intention of benefiting the shareholder permanently. The best of these organizations, in our opinion, are high yield speculative investments for persons who have surplus funds over and above more conservative investments, which they feel justified in putting into enterprises which give a much greater yield than do gilt edge bonds and stocks.

Monarch Royalty Co. is a small company in this industry. We would consider the investment a high yield speculation of no special attraction.

B.C. Electric Railway

I hold a small block of British Columbia Electric Railway preferred stock. Do you advise keeping same or should I sell it now and buy some other good stock?

We see no reason why you should consider selling your British Columbia Electric Railway preferred shares. The stock is a good investment and represents the first charge on earnings after interest requirements have been met.

The company is carrying out a programme of expansion, and the benefits should be reflected in the course of the next year or two. In the meantime, earnings are sufficient to take care of preferred dividend requirements.

Shawinigan

I hold some shares of Shawinigan Water and Power Company. Would you advise me to carry this stock in view of present stock market conditions?

Shawinigan is carrying out a large programme of expansion, the company has an excellent record from a market angle, and we feel that this stock is a good hold.

Dominion Tar

What is your opinion of the preferred shares of Dominion Tar and Chemical Company? I am considering the purchase of a small block of this stock.

Further expansion has been undertaken by Dominion Tar and Chemical Company during the current year and earnings are in excess of those of the previous year. The company is the dominant factor in the field it serves and we think the preferred shares represent a satisfactory investment.

Canada Steamship Lines

Please give me some idea of the situation surrounding Canada Steamship Lines. I have heard so many stories about the company that I do not know what to believe.

Earnings of Canada Steamship Lines will be lower this year, since the company's activities have been retarded by the slow movement of grain down the Great Lakes. On the other hand, revenue from hotels and package freight has been higher and we understand that dividends on the preferred stock have been earned. The company's major profits come from its grain carrying business, and given a better market for Canadian wheat in 1930, Canada Steamships should do better next year.

International Nickel

Do you think my shares of International Nickel will show any advancement in value this year? My purchases to date have cost me a little more than the current market value, but I am in a position to wait.

International Nickel is the leading trading stock on the Canadian markets and though its value fluctuates sharply, there is a general belief that over the next few years its earning power will increase at a rapid rate and that the stock will sell at higher levels. The stock is not one to be bought by the average investor as a quick turn, but as a hold for a year or two it will likely show appreciation in value.

Canadian Investment Stocks

There are many bargain stocks, but not all low-priced stocks are bargains. The investor who would be conservative will seek issues which do not give the highest yield but rather ones which hold promise of good average yield over a long term, plus a high degree of safety and opportunity for appreciation, and which also always are marketable.

Canadian issues which seem to fill these qualifications will be discussed in this column.

No. 9 — Ontario Loan & Debenture

Yield

Shares of Ontario Loan & Debenture Co., of $50 par value, recently sold at $125. The present dividend of 12 per cent, or $6, thus gives a yield of 4.8 per cent. Rights are forecast, which will increase the average yield, and the time may be approaching when the dividend rate will be increased.

Safety

This company is one of the oldest and most successful of Canadian companies in the business of loaning on first mortgage. It is conservatively managed. The reserve now is $3,000,000, or nearly 1¾ times the capital of $1,750,000. With more than $10,000,000 loaned on mortgage, the company has on its hands real estate acquired under foreclosure proceedings of the value of only $9,000; this ratio indicates skill and caution in lending money. Dividends have been paid continuously since 1891. There is a very high degree of safety in this stock.

Appreciation

The stock reached a high point of $143 per share in 1928. The forthcoming rights and the probability that the directors soon will decide to pay out a larger proportion of earnings by way of dividends, rather than by further building of the reserve at the present rate, leads to the belief that there will be a gradual, and perhaps continuous, appreciation, reflected either in the market value of the stock or in the allotment of new stock as the company finds it feasible to use new capital.

Marketability

The stock is listed on the Toronto stock exchange. It is by no means an active issue, but there is usually a bid for it, even when there is none offered for sale. For instance, there has been no sale in 1930, although there is a bid at $125 per share.

When Women Invest

C.P.R. Seems Suitable Investment for Person With Small Capital Who Needs Safety and Yield; Dominion Power Preferred Has Merit; International Utilities "A" Possibly Too Speculative; Penmans is Well Regarded

A WEEKLY FEATURE

A lady without income and dependent on relatives has between $500 and $1,000 that she wishes to invest. Safety of investment would of course be first consideration, with as large a yield as possible. Would you advise bonds or good industrial common stock, and what ones?

We do not think we would advise purchase of any but the very soundest of common stocks for a person requiring high yield and a high degree of safety. If, however, the lady for whom you are enquiring has in the neighborhood of $1,000 we think that she could with safety purchase five shares of Canadian Pacific Railway common stock. At current prices this would give her a yield slightly in excess of five per cent, and there would be ultimate appreciation, we think, and occasional stock rights which would add to the average yield.

An exceptionally high-grade preferred stock is that of City Dairy which currently is selling to yield about 5½ per cent. If she were to buy the common stock of the same company she would at the moment be in receipt of an income of about four per cent. We understand, however, that the dividend on this stock shortly is to be increased.

At the moment high-grade provincial and municipal bonds are selling to yield from five to five and a-quarter per cent. A good grade industrial bond is the first and general mortgage bond of Canadian Canners which currently is selling at or near par, yielding approximately six per cent.

Dominion Power

Will you be so kind as to let me have your advice on Dominion Power and Transmission as an investment? As full a report as possible, especially in connection with the subsidiaries owned by this company would be appreciated. I am a widow.

Dominion Power and Transmission Company is a holding company for the electric power system in Hamilton, St. Catharines and Brantford which operates in competition with the Ontario Hydro Electric System. The company also has an exclusive franchise in the towns of Grimsby and Beamsville. It owns the Hamilton Street Railway and its affiliated bus lines. It owns the Hamilton, Grimsby and Beamsville electric line and some of the suburban and inter-urban bus lines.

We presume you are enquiring as to the preferred stock. Ontario Hydro Electric System for approximately seventeen years and its position is undoubtedly just as strong now as it was at the beginning of this competition from the publicly owned systems. The preferred stock appears to us to be a reasonably good investment for any person who has a diversified list who requires a fairly high yield.

International Utilities

My wife holds a block of International Utilities "A" shares bought around 45. Would you advise a sale at present prices and a switch into something more hopeful?

We are inclined to advise you to sell your shares of International Utilities "A" stock, though whether you can afford the loss on your investment depends entirely on your own financial position. The yield at present prices of 10 per cent is indicative of the speculative nature of this stock though there has been no intimation that the dividend payment will be reduced.

The company holds one or two large properties, but the majority of its holdings are small and comparatively low revenue producers.

If you sell you might consider investing the proceeds in Montreal Power, Shawinigan, National Breweries, Imperial Oil or Canadian Pacific Railway. These are all sound companies whose outlook is favorable, while an active market exists for their shares.

Penman's

Among the investments of my mother are a few shares of Penmans preferred stock. I understand that security is well regarded by bankers, but would like to have your opinion as to the advisability of retaining this stock.

Penmans Limited preferred stock is regarded as a investment security. Though the textile and woollen industries are not in good shape at present, this company, through sound management, has built up strong reserves over a period of years of prosperity, with the result that it is able to weather storms successfully.

February Investment Opportunities

Our February Investment List recommends a number of bonds particularly attractive for their high degree of security and generous yield.

For investors who are seeking something more than straight yield, the list includes sound bonds and preferred stocks with conversion privileges or stock purchase warrants. Such investments combine profit possibilities with excellent investment values.

This List gladly forwarded on request

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Investment Bankers
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17 St. John Street, Montreal
also Mount Royal Hotel
OTTAWA TORONTO QUEBEC
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MARA & McCARTHY
Members { Toronto Stock Exchange / Montreal Curb Market / New York Curb Market (Associate)
STOCK BROKERS
W. HAROLD MARA — JOHN A. MARA
LEIGH M. McCARTHY — A. MORTON BROWN
H. G. DAVIDSON — Lt.-Col. CARSON McCORMACK
Canada Permanent Building, 320 Bay Street
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Correspondence is invited.

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105

GYPSUM, LIME & ALABASTINE, CANADA, LIMITED
formerly
Canada Gypsum and Alabastine, Limited
We have prepared an analysis giving details of the expansion program carried out by the Company during 1929.
A copy will be mailed on request.
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Members Montreal Stock Exchange—Montreal Curb Market
80 KING STREET WEST
Adelaide 6146
R. A. MACFARLANE, *Manager*
Vancouver Toronto Ottawa Montreal Quebec Saint John Halifax

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

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INVESTMENT BANKERS
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A representative list of these Bonds is included in our February Bond List, a copy of which will be sent to you upon request.
Write for a copy.
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General Steel Wares Profits May Be Lower

From Our Own Correspondent

MONTREAL.—Street reports on the 1929 earnings of General Steel Wares are overly optimistic and have no foundation in fact, according to John C. Newman, president of the company. On the contrary, says Mr. Newman, the forthcoming annual report, from a preliminary survey of the figures, may show a decrease in place of an increase.

Last year the company reported net available for distribution to the common stockholders of $240,790 which was equivalent to $1.40 a share. It was known, however, that the company had devoted a fair proportion of its earnings toward improving and extending plant facilities. It was thought that earnings for 1929, accordingly, would reflect these expenditures and that earnings per share would run considerably higher. Such apparently has not been the case.

The president's statement did not have a strengthening influence on the stock marketwise. His announcement was followed by the stock selling off to around 17. As there is a limited market interest in the stock, Mr. Newman's intimation of possible lower earnings did not result in any marked amount of selling.

At present the company has outstanding 200,000 shares of no par value common stock. During the bull market of last year, the stock advanced to a high of 42.

Hardwood Exports Gain

Exports of hardwood from the United States through the United States Vice-Consulate in Fredericton are shown to have increased 80 per cent during 1929 over the previous year. The annual declared export returns show such shipments to have amounted to $260,344.20 in 1929 compared with $178,301.13 for 1928.

Announcement—
Mr. Joseph William Seagram
has been admitted a partner in our firm.
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Established 1879
Montreal Toronto Winnipeg Calgary Vancouver
10 Adelaide St. East, Toronto
Gerald Jephcott, C.A., Resident Partner

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH of TORONTO and CLARKSON, McDONALD, CURRIE & COMPANY of MONTREAL and QUEBEC
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STIFF BROS. & SIME
Chartered Accountants
Continental Life Building, TORONTO

Montreal, Toronto & Curb Stocks

WEEK ENDING FEBRUARY 3

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co. Ltd.)
350 Bay Street, Toronto

Provinces	Rate	Actual Mat.	Next Int. Date	Ask	Approx. Yield
Saskatchewan	4½	1 Oct. 1944	1 April	94.76	5.00
Saskatchewan	5	1 Oct. 1950	1 April	100.00	5.00
Saskatchewan	6	1 Feb. 1936	1 Feb.	103.82	5.25
Cities					
Montreal	5	1 Sep. 1963	1 March	100.00	5.00
Toronto	4½	1 Sep. 1954	1 March	92.91	5.00
Vancouver	4	1 Aug. 1946	1 Aug.	88.85	5.00
Winnipeg	5	1 Mar. 1944	1 March	99.49	5.05
Windsor	5	1 Dec. 1937	1 June	98.38	5.25
Edmonton	5½	1 May 1945	1 May	103.16	5.20
Calgary	5	1 Jan. 1943	1 July	97.06	5.30
Halifax	5	1 Jul. 1951	1 July	98.70	5.10
St. John	5	15 Dec. 1950	1 June	98.08	5.15
Regina	4½	1 Jul. 1950	1 July	90.65	5.25
Victoria	5	21 Jul. 1945	21 July	98.38	5.15
Moose Jaw	5	1 Jan. 1951	1 July	96.76	5.25

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
Jan. 29	1 3-32	1 1-16	1-4	1-4
Jan. 30	1 1-16	1 1-32	15-64	15-64
Jan. 31	1 5-64	1 1-64	17-64	1-4
Feb. 1	1 5-64	1 3-64	17-64	17-64
Feb. 3	1 1-16	1 1-32	17-64	1-4
Feb. 4	1%	61-64	1-4	1-4

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 29	4.86 1-4	3.92 11-16	5.23 3-8
Jan. 30	4.86 1-4	3.92 1-4	5.23 3-16
Jan. 31	4.86 1-8	3.92 1-8	5.23 1-8
Feb. 1	4.86 1-8	3.92 3-16	5.23 1-4
Feb. 3	4.86	3.92 1-8	5.23 1-4
Feb. 4	4.86	3.92	5.23 1-4

FOREIGN EXCHANGE

Par		Jan. 21	Jan. 28	Feb. 4
5.263	Italian	5.29¾	5.29¾	5.29½
23.80	German	24.16	24.15	24.09½
13.90	Belgian	14.06½	14.06½	14.04½
49.80	Japanese	49.85	49.80	50.00

MONTREAL, TORONTO AND CURB STOCKS

85	81	7	8.64	Wood, A&J 1pf.	81	..	..	..
1½	1½	.	...	Zimmerknit	..	1½	1½	1½
x85	50	.	...	Do. pref.	50	..	..	..

x Quotation for 1929. No sales recorded in 1930 to date.
† $1 each for 1928 and 1929. a. Stock dividend.

Winnipeg Stock Exchange

(Transactions for week to Feb. 1, in stocks not traded in elsewhere)

Div. Rate in $	Yield Feb. 1		Close Jan. 24 (or last)	High for wk.	Low for wk.	Close Feb. 1
....	....	Can. National Fire	35	32	32	32
....	....	Crescent Creamery	97	95	95	95
2.50	....	Northern Can. Mtge.	..	22	22	22
2.00	10.00	United Grain Growers	21	22	20	20
.80	8.42	Western Breweries	9½	9½	9½	9½

WINNIPEG STOCK EXCHANGE
February 1
Inactive Stocks

	Bid	Ask		Bid	Ask
Beaver Fire	123	127	North Mtge., part pd.	14	..
Beaver Lumber, pf.	100	104	Northern Trust	...	50
Can. Indemnity	120	...	Reliance Grain, pfd.	...	97
Home Investment	...	73	Traders' Bldg.	104	105

Winnipeg Grain Prices

Week to February 4

Crop Year High	Crop Year Low		Open Jan. 29	High for Week	Low for Week	Close Feb. 4
		Wheat				
1.71⅜	1.23	May	1.29¼	1.30	1.23	1.23⅝
1.55	1.25	July	1.31½	1.32	1.25	1.25⅝
1.44¼	1.24	October	1.30	1.30⅞	1.24	1.26⅜
		Oats				
.73⅛	.52	May	.55½	.56¼	.52	.55⅛
.71⅜	.52	July	.55¼	.55¾	.52	.54⅝
.60½	.50	October	.52½	.53⅝	.50	.52⅞
		Barley				
.89⅛	.52½	May	.57½	.57¾	.52½	.54⅝
.76	.54	July	.60	.60¼	.54	.57
		Flax				
3.15	2.50	May	2.56	2.57	2.50	2.56¾
2.91	2.50	July	2.56	2.56¼	2.50	2.56¼
		Rye				
1.26⅛	.73	May	.83¾	.83¾	.73	.79⅝
1.04⅝	.77⅜	July	.84	.84½	.77⅜	.82

Disher Steel Expects A Profitable Period

Application has been made to list the outstanding common shares of the Disher Steel Construction Company on the Toronto Curb market, and it is expected that these will be called for trading within the next few days. For the present an over-the-counter market will be maintained on the preferred shares.

The company is reported to have experienced a most profitable period in the fiscal year which ended December 31, 1929 and the financial statement for the twelve months will be available very shortly. The prospects before the company for 1930 are equally promising, there having been no let-up in construction activities.

Highland Dairy Business Grows Under New Control

Progress is reported by officials of the Highlad Dairy, Limited, Toronto, since the inception of the new control last August. Volume has been increased from 40 cans per day to over 100 cans per day. Negotiations now under way should increase this output to approximately 200 cans by the fall of 1930.

The latest type of delivery vehicles, the Divco motor truck especially designed for milk routes, being operated from the running board, is being adopted by the company. Eight of these modern trucks are now in operation and outside of their advertising value their low costs of operation and efficiency are important factors.

Reverses Usual Order; Western Firm Comes East

The Toronto Industrial Commission announces a new industry for the city, the Globe Comforter and Cushion Company. B. F. Harvey is manager of the company which is a branch of the Globe Bedding Company, of Winnipeg.

The parent organization is a $250,000 concern manufacturing bed-spreads, mattresses, comforters and cushions, and which also handles certain lines of steel beds. The Toronto company for the time being will confine its attention to making cushions, comforters and bed-spreads.

The purpose in establishing a Toronto manufacturing branch is to reach directly the eastern market.

Higher Motor Prices Benefit to Dominion Says Ford President

Extra Price Repaid Country Four and a Half Times

DUTIES INEQUITABLE

Ford of Canada Presents Memorandum and Comments on Working of Present Tariff Act

Reiterating the history of the Ford Motor Co. of Canada since its establishment in 1904, the company's supplementary memorandum, presented to the Advisory Board on Tariff and Taxation last week, stated that 72 per cent of its earnings had been reinvested in the business. The result today is that $40,000,000 is in fixed and current assets.

The brief presented by Wallace R. Campbell, president of Ford of Canada, is of interest to investors in the company and in other automobile companies, as well as to students of tariff problems.

Taking up the subject of prices, Mr. Campbell stated that "it should be obvious that competition within the industry constitutes the consumer's greatest safeguard against excessive prices. The competitive feature of creating manufacturing, coupled with competitive selling, insures a high quality product at a low selling price."

He stated that the prices at which the Canadian Ford Company sells its products always have been equitable, "taking into consideration various factors which affect the setting of prices, viz; costs, competition, provision for return on capital employed and for future development."

After citing the fact that there never has been an attempt at price fixing by manufacturers of automobiles in Canada or in the United States, he characterized the Canadian automobile market as being free and openly competitive, "with every manufacturer trying to judge public demand and to meet it with the best product he can produce, at prices which are attractive to the consumer."

Prices Tend Downwards

He showed that the price of Ford cars has been steadily downward since their manufacture first commenced in Canada, with the exception of the period of general price inflation immediately following the war.

The company's first two-door sedan sold at a list price of $1,150. Today this model sells at a list price of $620, a reduction of 46.1 per cent.

At the same time the prices of commodities from which these automobiles are made have been increasing radically. Based on 1913 average prices, the comparison follows:

	1913	Dec., 1928
Iron and its products	100	140.5
Wood, wood products and paper	100	154.6
Fibre, textiles and textile products	100	168.9
Chemicals and allied products	100	147.4
Non-ferrous metals and their products	100	97.8
All commodities	100	146.7

Likewise, Mr. Campbell pointed out, his company's wages have increased 200 per cent.

Competition Protects Consumer

Mr. Campbell attributed the downward trend of automobile prices generally to competition. "Prices are not based on the cost of production only," he stated, "but also on competition and the necessity of obtaining sufficient volume of business to keep plants in continuous operation. If prices set in this manner yield insufficient margin, the manufacturer's problem is to reduce cost. This can only be accomplished by improved processes and large volume of business, as from a merchandising viewpoint it is impossible to impair the quality of the finished product because of the public demand for increased quality and additional refinements!"

He recalled that Canada's automobile industry is comparatively young. Its evolution, necessitating large capital outlay for new and improved methods in manufacturing operation and plant equipment to meet competition, leads ultimately into the realm of low prices to the consumer.

In taking up the difference between retail prices in the United States and those in Canada, Mr. Campbell stated that "it is indisputable that articles manufactured in Canada, containing dutiable materials imported from the United States and processed by dutiable plant equipment, also imported from the United States, cannot be produced in Canada as cheaply as in the United States, providing wages rates are equal."

His memorandum calculated the total of price differences between the two countries on sales of Ford cars in Canada over the four-year period from 1926 to 1929 inclusive, during which the present tariff rate of 20 per cent has been in effect. This amount is $23,843,304.

Country Benefits

Mr. Campbell claimed that this amount has been returned to the Canadian people over 4½ times, "in an aggregate amount of $109,620,518."

First, in the same period of time, $45,191,169, or a return of 189.5 per cent of the price difference, was paid in wages to Ford employees. Second, disbursements in Canada for materials and services needed for the manufacture and sale of the Ford car in the same period amounted to $80,536,686.

Investigation among Canadian manufacturers who supplied these materials and services warrants the calculation that 80 per cent of their value in the ultimate analysis is Canadian labor, Mr. Campbell said. Estimating 80 per cent of the amount disbursed for materials, he arrived at $64,429,349 of that total as having been distributed to Canadian labor, or a return of 270.2 per cent of the price difference between the costs of the Ford in Canada and in the United States.

Combining the two, Mr. Campbell calculated that 459.7 per cent of the amount which the Canadian public has paid as a price differential on Ford products, or $23,843,304, has been returned to Canada as follows:

Wages paid by Ford Motor Co. of Canada, Ltd.	$45,191,169
Wages or remuneration included in purchases	64,429,349
Total	$109,620,518

Pursuing the same thought, Mr. Campbell pointed out that, in the above four-year-period, his company sold in Canada 179,369 cars. The average difference in price between Canada and the United States was $133 per car. Disbursements for Canadian labor were $611 per car.

"The significance of this is that, for every car sold in Canada, this company's operations have resulted in a return to the Canadian public of $478 in excess of the difference between prices in the two countries," stated Mr. Campbell.

He expressed the belief that "We must have manufacturing industry to provide approximately one-half of our population with a means of livelihood, a necessity which may become more acute than ever in the near future."

Protection Necessary

He pointed out hypothetically that, should the Government deny adequate protection to the automobile industry in Canada, it must logically deny similar protection to other Canadian industries, with the result that manufactured articles would have to be imported into Canada. "Without the buying power created by industry within the country," Mr. Campbell explained, "the people would not be able to buy these imported articles."

In stressing the need of providing occupation for one-half of the country's population, approximately, in industrial activity, he cited the fact that emigration to the United States from Canada and Newfoundland in the last five years has been at a rate varying from 66,451 to 102,753 yearly.

He summed up his discussion of the price and industrial situation by the question as to whether "Canadians would rather pay $620 for a Ford automobile, made in Canada, and be able to buy it than to be offered a Ford automobile, made in the United States, at $500 and not be able to buy it, particularly when the purchase in Canada makes possible the disbursement to Canadian labor of $611?"

Cites Value of Exports

Mr. Campbell then turned to export business. He stated that it is the manufacture of Ford automobiles for export which contributes lagely to disbursement to Canadian labor at a time when, otherwise, there would be distress for workers and unemployment because of the low domestic demand occasioned by seasonal needs and uses of cars in Canada.

He stated that, in the last four years, export trade has absorbed 40.5 per cent of his company's output. Of automotive units of all makes exported from Canada in 1925 to 1928 inclusive, 44.1 per cent of them were Ford products. These amounted to an aggregate of $57,164,678. "If these automobiles had been exported from the United States," he pointed out, "there would not have been any disbursement in Canada for labor and services used in their manufacture."

"In various ways," he continued, "the Government has recognized the importance of fostering and expanding foreign trade. Every encouragement should be given to this activity. The desirability of this trade must be readily admitted. Hence, the benefits to Canada from the Ford Motor Company's large export trade must also be admitted."

Mr. Campbell expanded somewhat upon the suggestion in his former memorandum to the effect that the percentage of Canadian content required to qualify for home consumption drawback be increased from 50 per cent to 60 per cent and that the regulations governing the determination of Canadian content be applied strictly in accordance with the wording of the Customs Tariff Act.

He pointed out that the wording of the Act requires that individual models be qualified. He then pointed out that a supplementary regulation, issued by the Department of National Revenue and one not authenticated by legislation, or Order-in-Council, permitted qualifications for home consumption drawback on the basis of total factory output of all models, provided that 50 per cent of the total cost of production has incurred in Canada; provided that each individual model has at least 40 per cent Canadian content or, alternatively, that certain production operations, such as chassis assembly and body trimming and finishing have been performed in Canada. He referred also to the fact that this supplementary regulation did not provide for exemption from excise tax.

The claim is made that this regulation results in allowing excess Canadian content in one particular car or line of cars to carry other cars or lines of cars with just bare assembly of chassis and body trimming and finishing performed on them in Canada, thereby obtaining drawback and possibly escaping payment of excise tax, contrary to provisions of the Act.

"The fundamental idea of drawback and excise tax exemption is that they are based on 50 per cent Canadian content qualifications," concluded Mr. Campbell. "Such being the case, it follows that qualifications should be proven before drawback is paid or exemption from excise tax granted. Any proposal to secure drawback before qualifications is proven is unsound as it is contrary to the basic principle of the existing law."

Referring to his earlier suggestion that imported cars be valued for duty at the retail price in the country of origin, Mr. Campbell cited the fact that the value for duty at present on imported automobiles is figured on a basis of United States list prices less discounts ranging up to approximately 30 per cent. With an assumed list price of $1,000 in the United States, instead of the present duty payment of 20 per cent on $1,000 less 30 per cent discount or $140, on the proposed basis, duty would be 20 per cent of $1,000 or $200.

"The effect of this," the memorandum said, "would be that the United States manufacturers now exporting to Canada would find themselves unable to compete with cars manufactured in Canada with the result that, in order to retain their Canadian market, they must also manufacture in Canada. If there is a distinct benefit to the country from having its own automobile manufacturing industry, then it follows that the manufacture in Canada of these imported cars would be of that much additional benefit."

Further elaboration also is made in the supplementary Ford memorandum of two other suggestions, namely, the contention that the receipt of drawback by automobiles over $1,200 is unsound and discriminatory and that sheet steel panels and stampings for automobile bodies be removed from the classification "manufacture of steel" and set up as a separate item with reduced rates of duty on the ground that they are not available and cannot economically be made available in Canada.

Power is Magnet For New Industries

From Our Own Correspondent

MONTREAL.—Ample supplies of water power distributed from coast to coast have enabled Canada to develop into a manufacturing country of the first importance, says the Dominion Water Power Branch. To an increasing degree the low cost provided by hydraulic development has become a magnet attracting to the Dominion from abroad important major or branch industries.

Concurrent with this industrial development the widespread distribution of power for domestic use not only in urban but also in suburban and rural communities by the hydro electric central station organizations, has, in many different ways, effected a decided improvement in the standard of living of a large proportion of the population.

H. SIMON AND SONS COMMON DIVIDEND RAISED TO $2.50

Annual Report Expected to Reveal Substantial Progress

From Our Own Correspondent

MONTREAL.—H. Simon and Sons, Limited, has made material progress in the past year as is evidenced by the announcement of an increased dividend rate on the common shares. The payment has been raised from $2 to $2.50 per share annually, by declaration of a quarterly dividend of 62½ cents a share payable March 1 to shareholders of record February 18.

The company has made steady gains since its inception in March, 1928. An initial quarterly dividend of 50 cents a share was declared on the common stock in April, 1929, and has been maintained until the recent increase. Sales and earnings have likewise gained. While the report of H. Simon and Sons for the fiscal period ended December 31, 1928, covered only a nine months period, yet profits were practically up to the level of the full 1927 year. Earnings on the common stock, on an annual basis were equal to over $4 a share and it is thought that this figure has been bettered in operations in 1929.

Reduce Preferred Stock

A factor which works favorably for the common shareholders is the consistent reduction in the amount of preferred shares outstanding. It is understood that the company has retired about one-third of the original issue, on which basis, there are now but 6,800 outstanding. Operation of a sinking fund equal to ten per cent of net earnings after depreciation, income tax and preferred dividends, is used for purchase or redemption by call of preferred shares, while the stock is also convertible into common on the basis of two common shares for one preferred.

At current prices of around 43 for the common stock there is no present value in the conversion privilege, though the increase in the common dividends narrows the spread between the return on the common and preferred stock.

TOWING PROSPECTS BRIGHTEN OUTLOOK OF SIN-MAC LINES

Company Places Orders for Six Grain Barges

From Our Own Correspondent

MONTREAL.—The possibility of a gradual reversion in grain transportation between Prescott and Montreal from self-propelled steamships to tow barges has a definite bearing on the outlook for Sin-Mac Lines, Limited, a company which handles the major portion of the general towing business on the Great Lakes and the St. Lawrence.

The company has under construction at the Canadian Vickers, five grain barges, while another is being built at Sorel; the barges will have a capacity of about 113,000 bushels of wheat, the extra cargo space for the same draught as an ordinary steam-propelled barge being gained by the lack of need for engine equipment.

Though opinions differ widely regarding the degree to which the tow barge will be used in the future for bulk cargoes on the St. Lawrence, it is thought that the opening of the new Welland Canal and the passage of large freighters to Prescott elevators from the head of the lakes will stimulate the use of tow barges between Prescott and Montreal.

Reduce Overhead Cost

It is pointed out that the gain in this method will not only lie in the increased volume carried, but in the reduced overhead charges in handling of these boats. It has been estimated that cost of navigation of a barge between Prescott and Montreal would be lower than a freighter, since substantial reductions in the number of hands employed would be effected.

Further, it has been suggested that one tug crew might handle as many as 20 barges, delivering one tow and then returning by train to Prescott for another. The problem of reduced cost has naturally been given prominence recently by the grain tie-up; steamship companies have been faced with the necessity of carrying a large number of ships' staffs, or skeleton crews, inactive, over much of the navigation season.

Takes Longer Time

On the other hand, it has been said that extra time taken in towing through canals would offset lower operating costs, while navigation difficulties through the heavy St. Lawrence currents might add further obstructions.

Sin-Mac Lines, Limited, was formed in April, 1929, as a consolidation of five towing and wrecking businesses operating from the head of the lakes to the Atlantic Ocean. The companies are engaged in general towing, harbor towing and general wrecking service and, for the most part, have been in operation for many years.

Earnings during 1929, though affected by decreased shipping activity on the St. Lawrence and Great Lakes, are stated to have been maintained; the annual report of the company is expected to be published shortly.

Capitalization consists of $1,500,000, 6 per cent, first mortgage bonds; $750,000, 7 per cent preferred stock and 50,000 shares of no par value common.

Dominion Bridge Co. Stock Increase Granted

From Our Own Correspondent

MONTREAL.—Supplementary letters patent have been granted by the Dominion government to the Dominion Bridge Company increasing its authorized share capital from 500,000 to 600,000 shares of no par value common stock. Taking into consideration rights, which recently expired, the company now has outstanding 451,480 shares.

The additional shares authorized will be used in part to provide for the exchange of shares with Manitoba Bridge Company recently acquired by Dominion Bridge. The basis of exchange is two shares of Manitoba Bridge for one of Dominion Bridge, so that the shares issued in this connection will bring the total outstanding to over the 500,000 mark.

Homestead Entries Larger

Homestead entries made during the year 1929 amounted to 17,345, which was an increase of 1,779 over the preceding year. Alberta topped the list with 9,592 as against 8,698 in 1928; Saskatchewan recorded 6,130 against 5,493; British Columbia 876 against 755 and Manitoba 747 against 620. The busiest month of the year was October when entries in the four provinces numbered 3,008 as compared with 1,998 for the previous October.

National Trust Company Shows Increase of 41 Millions in Assets in Charge

Shareholders Review Company's Greatest Year — Increase Most Notable in Estates, Trusts and Agencies — Deposits Show Gratifying Growth — Earnings Also Set New Record — Mr. G. A. Morrow and Mr. G. H. Levy, K.C., Elected to Board.

Sir Joseph Flavelle, Bart., and Mr. W. E. Rundle Deal With Company's Affairs.

Significance of Growth in Trusteeship for Individuals—More Care Now Usual in Planning of Wills—Canadian Conditions Fundamentally Sound—Development of Research Retaining Canadian-Trained Scientists for Canada—Business Outlook Justifies Confidence.

The shareholders of National Trust Company were told of the best year in the Company's history at their annual meeting held January 29th, when the President, Sir Joseph Flavelle, Bart., and the General Manager, Mr. W. E. Rundle, dealt in their addresses with the various features of the Balance Sheet and with the affairs of the Company generally. Subjects specially stressed were the striking increase in 1929 of assets the Company is administering, and the growing care with which men and women making their wills are planning the disposal of their property.

In moving the adoption of the Report, the President, Sir Joseph Flavelle, Bart., said:—

During the year 1929 your Company, like other financial institutions in Canada, enjoyed a large measure of prosperity. The substantial increase in assets and in earnings will be a source of satisfaction to the shareholders. In all branches of the Company's business progress has been made, and I am confident you will regard the statement submitted by your Board of Directors as satisfactory.

Growth of Assets Under Administration Shows Company's Progress.

It is of interest to note the progress of the Company as evidenced by the growth of assets under administration over five-year periods. The following are the figures:

1904 Assets under Administration	$7,813,538.54
1909 Assets under Administration	22,940,461.15
1914 Assets under Administration	51,694,679.05
1919 Assets under Administration	88,941,252.28
1924 Assets under Administration	138,906,734.28
1929 Assets under Administration	243,887,744.96

One of the problems of a business steadily expanding, especially with as varied a scope as that of a trust company, is the maintenance of a high level as regards the staff, and I can assure the shareholders that every attention is being devoted by the senior officers to ensure that the high level of the past is maintained.

In accordance with the By-laws of the Company, the usual inspection of the Company's securities was made during the year by the Inspection Committee, and I have pleasure in laying their report upon the table to-day for your approval.

The usual annual inspection by the Government of the Province of Ontario took place during the year.

Your Directors authorized certain subscriptions to various charitable funds since the last annual meeting, and a resolution in confirmation of these subscriptions will be submitted to you to-day.

We record with regret the death during the year of our colleagues the Honourable Sir Edward Kemp, K.C.-M.G., and Cyrus A. Birge, Esquire. Sir Edward Kemp occupied a position of great prominence both in the business and public life of the country, and the important part he played, particularly during the war as Overseas Minister, will not soon be forgotton. Sir Edward had been a Director of the Company from its inception and took a very keen interest in its affairs. Mr. Birge was a man of great prominence in the business life of the community who had won wide respect by his shrewd wisdom and capacity. Though he had been with us as a Director for only a few years, from the outset he showed a great interest in the affairs of the Company.

Nominations of New Directors Announced.

To take the place of these gentlemen your Directors submit the names of Mr. G. A. Morrow, President of the Imperial Life Assurance Company, and Mr. G. H. Levy, K.C., of Hamilton. Both of these gentlemen have already proved themselves friends of the Company, and your Directors feel that they will be a valuable addition to the Board.

I desire on behalf of the Board to express appreciation of the services given to the Company's affairs by the Resident Directors at Hamilton, Montreal and Winnipeg; also to acknowledge the valuable services of Messrs. Thomson, Dickson and Shaw, of Edinburgh, the Company's sole agents in Scotland.

Before moving the adoption of the report I shall ask the General Manager to address you.

The General Manager, Mr. W. E. Rundle, spoke as follows:

Sir Joseph and Gentlemen:

I am happy to say that the year 1929 has established new records in respect both of earnings and of new business. The net earnings for the year were $622,493.89. These enabled the company to pay the shareholders not only the regular dividend at the rate of twelve per cent. per annum but also a bonus of two per cent., which is one per cent. more than the bonus paid the previous year. Out of the net earnings the Company was further able to write off $100,000 from Office Premises Account, after providing for Dominion, Provincial and Municipal taxes, and to carry forward $136,415.63 into Profit and Loss Account for 1930. I believe the earnings of the Company are now such as will justify the payment of fourteen per cent. as the regular dividend.

The assets under administration increased during the year $41,746,043.50 and now aggregate $243,887,744.96.

This good showing reflects credit on the staff of the Company, and I should like to take this occasion to convey to the staff my appreciation of their loyal support and their fidelity to the interest of the Company and its clients. This loyalty and fidelity is an intangible asset of the greatest value.

All Offices and Departments Co-operate in Service.

To the favorable earnings which I have mentioned above, all offices and all departments have contributed. The chief earning departments of trust companies in Canada are Estate and Agency, Corporate Trust, Stock Transfer (i.e., the transfer of the stocks of other companies), Mortgage Loan, Real Estate, Receivership, and Liquidation. These various departments have developed and are developing continuously, but it may be of some interest to say a few words as to the order in which they became important contributors to the Company's earnings.

In the early years of the Company its chief earnings were derived from the investment of its own and its clients' funds largely in mortgage loans. Then the Corporate Trust Department became an important contributor during the period of active construction preceding the war, and, later, the Estates Department, which in the early years of the Company was naturally of slower growth. During the last few years the Transfer Agency Department has assumed important dimensions, and also our business as Receiver or Trustee in connection with corporate reorganizations. We believe that our organization with its various departments, aided by the wide experience in many lines of business supplied by our Board of Directors, puts our Company in a most advantageous position to discharge the duties of a Receiver, and in these last few years we have added greatly to our experience in this branch of the Company's business.

The increase in assets under administration indicates both a growing recognition, especially among men of means, of the value of the corporate executor and, in the second place, a growing confidence in our own Company. Moreover, these figures, as I have pointed out on previous occasions, are not by any means the full measure of the activity of the Company. Our Corporate Trust Department has under its charge various issues of bonds for which the Company acts as trustee totalling hundreds of millions of dollars secured on assets in various countries. As trustee we are called upon to perform various duties during the normal course of the trusteeship, and in cases where bondholders' interests are in jeopardy these duties frequently involve important and difficult negotiations not only with private individuals but often with governments, both home and foreign. This same Department deals also with receiverships and liquidations where the value of the assets runs into large amounts.

Our Transfer Agency and Registrarship Department looks after the transfer and registration of shares of outside companies having combined capital of hundreds of millions.

The large proportion of our increased assets resulting from appointments as executor and trustee under wills leads me to make special reference to this branch of our business.

The Tendency in Personal Trusteeships.

The tendency in recent years with us, as with all the larger companies both here and in the United States, has been for executorships and testamentary trusts to show a proportionately greater increase than either agencies or living trusts. We are receiving a constantly increasing number of the latter, but this increase, although substantial, is outweighed by the number and importance of the appointments received by will.

The tendency of which I am speaking should, I think be most gratifying to all of us. From the continuous increase in the number of appointments the company is receiving as executor it may fairly be inferred that the manner in which the company has performed similar duties in the past has given a large measure of satisfaction.

Unhappily, in the past, the administration of wills so as to carry out to the letter and in the spirit the intentions of the testator has sometimes been rendered difficult by the circumstance that the provisions of the will, which of course we are bound to follow, have not always adquately expresed the testator's real intentions. This failure might have been due to a variety of causes, to the circumstance that the will was prepared hastily, or while the testator was in ill-health or lacked competent professional assistance. More often, however, I believe that when difficulties occurred in the administration of an estate under the provisions of a will they were due to the fact that the testator had failed to realize the restrictions imposed on the powers of executors and trustees by the general law of the land, and the very great advisability—perhaps necessity would not be too strong a word—of amplifying by his will the powers of his executors so that they can deal in a businesslike way with all situations likely to arise in his particular estate. Without such powers difficulties arose that were not theoretical merely, but of the most practical and pressing kind. Let us suppose, for example, that a man is the principal proprietor of a business carried on by an incorporated company, most of whose shares he controls. That company may very well require, in the course of its business, considerable credit from its bankers, credit for which the bankers take as security the personal guarantee of the owner. During his lifetime the owner continues these arrangements, from time to time altering and extending his guarantee to meet changing conditions. But after his death his executors, unless specially empowered by his will, have no power to continue or amplify any such guarantee. And yet without the continuance of the guarantee the bankers might feel unable to continue the credit. In this way both the company and the estate find themselves in a serious position, involving incidentally not merely the beneficiaries and executors, but all those connected with the company in any way and sometimes through them the general community in which the company carries on business. Again, trustees have not ordinarily the power to enter into reorganizations and mergers affecting shares held for an estate; they cannot, unless specially authorized, accept one class of securities in lieu of another or the securities of a new company in place of those they hold. Still other problems are raised by the application of the Succession Duty and Income Tax Acts to various sets of circumstances. All these and many other contingencies require careful consideration at the time the will is made, and appropriate provisions giving the necessary powers inserted in the document if the trustees and executors are to have a fair chance of carrying out the testator's intentions in the way he would like them to do. I believe that one of the reasons why in the past appropriate provisions of this kind were not always found was that until the organization of trust companies testators and their solicitors had no large reservoir of administrative experience on which to draw. In preparing a will each individual was guided by his own business knowledge, but there existed no machinery by which he could obtain guidance from a large body of practical experience extending over many years in the actual administration of a great variety of estates. This body of experience is now available in the trust company, and it is a gratifying development of recent years that an increasing number of solicitors and their clients are inviting the aid of our officers in planning their wills and the distribution of their property under them. To such an extent has this work grown and so important do we consider it that the time of certain of our officers is devoted to it almost exclusively. As a result, we find that the estates coming into our hands at the present time are more often to be administered under wills thoughtfully prepared and in every respect adequate to carry out the testator's intention, which renders the work of administration much simpler and less expensive, and renders the service which the Trust Company can perform at once broader in scope and superior in quality.

Features of the Balance Sheet.

There are certain other features of the balance sheet to which I should like to draw your attention.

1—Our deposits show an increase of $629,067.72, which you will regard I am sure with satisfaction.

2—The balance sheet shows that the company is in an exceptionally strong liquid position. The liquid securities held on capital and guaranteed account amount to $7,401,303.73, which is sixty-one per cent. of our deposits.

It will be observed that our investments both on capital and guaranteed account are mainly in mortgages, government and municipal bonds and loans thereon. The mortgages have been selected with the greatest care, while the investments in government and municipal bonds and the loans thereon are all first-class. Following our established practice, we carefully reviewed at the end of the year all our mortgages and securities, and I can assure the shareholders that ample provision has been made for any possible losses in respect of mortgage investments, while the present market value of the securities we own is considerably greater than that at which we carry them in the balance sheet.

Fundamental Soundness of Canadian Business.

There have been so many references at recent annual meetings of financial companies to the present business situation and the prospects for the future that little remains which can be usefully said. There is entire agreement as to the essential soundness of Canada's position and the certainty of steady progress notwithstanding temporary checks. One of the most satisfactory features which has been frequently mentioned is the growing diversification of our sources of national income which renders us less and less dependent on any one industry. This is notably true in the mining and newsprint industries, the productions of which in 1929 were very large. Those industries are specially important inasmuch as so large a part of their products is exported and brings new money into Canada. It is this diversification which has minimized the effect of the delay in marketing abroad the wheat crop of 1929. A few years ago such a delay would have had a much more serious effect, and the fact that business is carrying on at its present relatively high level is a proof of the increasing strength of our national economic life.

Attempts to forecast the future are hazardous. As one authority has said, it is a period of "low visibility" in the economic outlook. It is clear that although we had pronounced activity in the first nine months of 1929 a slackening set in, in some cases in the summer of 1929 or earlier, and that this is continuing. How long this period of lessened activity will continue is impossible to predict, but it seems unlikely that there can be any marked change in the direction of increased activity until our present wheat crop is sold and unless and until there are good prospects for a favorable crop in 1930. Agriculture is still Canada's greatest single industry, and consequently much still depends on its success or failure. However, Canada has enjoyed such unparalleled prosperity during the last few years that she is in a splendid position to meet a temporary check if perchance she should be called upon to do so. The enormous natural resources of the country and the soundness of its economic and financial condition fully justify the greatest confidence.

Much has been said about the stock market decline, and I wish to add only a word. The sharp decline of last autumn did undoubtedly have the effect of curtailing the buying power of many people and therefore affected business. On the other hand, it is also true that it was confined to a comparatively small percentage of our people and therefore is to my mind a relatively small factor in the present business situation compared with those already mentioned.

Increasing Application of Science to Industry.

I have referred on a previous similar occasion to the great importance of Research in the development of our natural resources, and if we are to have a period of lessened activity it becomes more than ever essential to harness all the scientific and inventive brain power which we have available in Canada. In this connection I should like to refer to the efforts now being made with considerable success to retain for Canada young Canadians educated along technical and scientific lines. It is not long ago that a very large percentage of our most highly trained research students were going to the United States. In one particular Canadian university, of 50 students trained for research 49 left Canada for the United States where they easily found employment, thus assisting our competitors. To meet this situation a technical service council was formed and has already been operating a year and a half. The results to date are highly satisfactory. Eight hundred requests for technically trained men have already been received by the council's office and nearly 400 men of technical and scientific training have been placed through the council's medium. Incidentally, the result of this has been that for the first time many industries have employed men with technical and scientific training. In this connection it is interesting to learn that of the graduates in science from Canadian universities since the institution of the council only three per cent. approximately have left Canada. In addition the council has brought back nearly 50 Canadians with scientific training who had left to take positions in other countries and has also placed nearly 50 graduates of British universities with Canadian industries.

The motion for the adoption of the report was carried unanimously.

National Trust Company
Limited

Balance Sheet, 31st December, 1929

ASSETS

Capital Account:			
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton.		$1,082,921.95	
Real Estate held for sale under mortgage foreclosure		188,435.56	
Rents due and accrued		2,706.80	
Mortgages: Principal	$3,069,058.57		
Interest due and accrued	129,153.24		
		3,198,211.81	
Loans on Bonds and Stocks		449,296.36	
Securities: Dominion of Canada and Provinces of Canada	$21,427.00		
Canadian Municipalities	30,942.70		
Other Bonds and Debentures	99,840.45		
Interest accrued	1,217.22		
		153,427.37	
Stocks		806,975.06	
Cash in Banks		134,066.21	
Cash on Hand		131,460.23	
Advances, to Estates, Trusts and Agencies		202,601.69	
			$6,350,103.04
Guaranteed Trust Account:			
Mortgages: Principal	$12,049,920.43		
Interest due and accrued	351,519.11		
		$12,401,439.54	
Loans on Bonds and Stocks		1,622,107.56	
Securities: Dominion of Canada and Provinces of Canada	$1,728,831.14		
Canadian Municipalities and School District Debentures	1,046,371.28		
Interest accrued	29,483.79		
		2,804,686.21	
Cash in Banks		664,460.14	
Cash on Hand		209,584.23	
			17,702,277.68
Estates, Trusts and Agency Account:			
Funds and Investments		$219,835,364.24	
			219,835,364.24
			$243,887,744.96

LIABILITIES

Capital Account:			
Capital Stock, subscribed and fully paid	$3,000,000.00		
Reserve Fund	3,000,000.00		
		$6,000,000.00	
Dividend and Bonus Declared and Unpaid: Dividend No. 120, due Jan. 2, 1930.		90,000.00	
Bonus of 2%		60,000.00	
Mortgages in Process of Completion		15,890.79	
Reserve for Balance Dominion Income War Tax		47,796.62	
Profit and Loss		136,415.63	
			$6,350,103.04
Guaranteed Trust Account:			
Trust Funds for Investment		$5,591,563.31	
Trust Deposits		12,110,714.37	
			17,702,277.68
Estates, Trusts and Agency Account:			
Estates, Trusts and Agencies		$219,632,762.55	
Due to Company for Advances to Estates, Trusts and Agencies		202,601.69	
			219,835,364.24
			$243,887,744.96

NOTE—The assets under administration shown above do not include assets running into large figures which the Company is administering as Liquidator or Receiver under the direction of the Courts of various Provinces of the Dominion.

PROFIT AND LOSS ACCOUNT

For Year ending 31st December, 1929

Balance 31st December, 1928	$113,933.96
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.	622,493.89
	$736,427.85
Appropriated as follows:	
Quarterly Dividends and Bonus: Nos. 117 to 120, inclusive, at the rate of 12% per annum.	$360,000.00
Bonus of 2%	60,000.00
To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate	80,012.22
To write off Company's Office Premises	100,000.00
Balance Carried Forward	136,415.63
	$736,427.85

Board of Directors:

President: Sir Joseph Flavelle, Bart.

Vice-Presidents: E. R. Wood, W. E. Rundle, Herbert C. Cox

H. H. Fudger
H. B. Walker
J. H. Plummer, D.C.L.
Hon. F. H. Phippen, K.C.
H. J. Fuller
W. M. Birks
E. M. Saunders
Sir John Aird
James Ryrie
Rt. Hon. Sir Thomas White, K.C.M.G.
Harrington E. Walker
Miller Lash, K.C.
A. McT. Campbell
George W. Allan, K.C.
Edward FitzGerald
Leighton McCarthy, K.C.
Carl Riordon
George W. McLaughlin
W. H. McWilliams
W. G. Morrow
F. F. Dalley
Thomas C. Haslett, K.C.
D'Arcy Martin, K.C.
C. S. Wilcox
Walter Molson
Lt.-Col. William Leggat, M.C.
James A. Richardson
J. A. McLeod
G. A. Morrow
G. H. Levy, K.C.

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INSURANCE AND
FINANCIAL ESTATE
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CANADA

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Appraisers and Valuators
Estates Managed
CALGARY CANADA

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REAL ESTATE BONDS
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Broder Financial Agency
Financial Agents
Real Estate Loans
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1812 Rose St. Regina, Sask.

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P. L. Sanford, B.A. A. Hannah
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EAST CREST OIL TO ADD $75,000 FURTHER CAPITAL

Shareholders Asked to Authorize the Increase

Shareholders of East Crest Oil Company, Ltd. will be asked to approve an increase in capital at a special general meeting of shareholders to be held prior to the annual meeting on February 17, at Niagara Falls, Ont. The recommendation of the directors is that the issued capital shall be increased from 1,000,000 to 1,500,000 shares of no par value.

L. B. Duff, president of the company, in a letter to shareholders accompanying notice of meeting, outlines the present situation as regards the properties of the company. With well No. 1, a contract was let when the lime was reached to have the drilling continued to production by rotary equipment. This drilling was continued 100 feet through the lime under difficulties, and on January 17 a new contract was let to complete the well by diamond drill. It is expected that by the date of annual meeting, drilling under this contract will be in operation.

After reaching the 3,200-foot level on well No. 2, the hole had to be cleared out because of caving at 1,200 feet. The drill is now at 2,200 feet and making progress.

$72,000 Needed

It is stated that the company has expended almost $150,000 in drilling well No. 1, and nearly half of that amount on well No. 2. In addition, $100,000 has been placed on deposit to complete payment on the diamond drill contract and to complete payment on the rotary contract for well No. 2.

The directors estimate that an additional $75,000 will be needed to provide for the letting of a diamond drill contract when well No. 1 reaches the limestone, and to provide certain services and equipment required under such contracts. The only means by which the company can raise the required amount, without delay to operations, is to increase the capitalization as is proposed.

It is stated that no more shares will be issued than is necessary to complete the operations now under way and that a firm sale has been negotiated of a sufficient number of shares to provide the necessary $75,000 subject to ratification by the shareholders.

SOUTHERN LOWERY 1 LEADS IN DRILLING

Good Progress Reported From Turner Valley Field

Drilling of Southern Lowery, No. 1 well continued at a rapid rate during the week ended February 1 and gained 395 feet for a total depth of 1,965 feet. Home No. 6 took a spurt and was deepened by 338 feet for a total depth of 1,698 feet. Drilling was started on Royalite No. 24 and 140 feet of drilling was completed.

The total of all drilling completed during the week on wells being sunk in the Turner Valley by Imperial Oil, under contract, was 1,964 feet which compares with 1,561 feet drilled during the week ended January 25. No drilling was done on Royalite Nos. 21 and 23, Lowery Pete or C. D. & P. all of which had registered slight increases during the previous week.

Record of drilling for the week and progress to date is as follows:

	Jan. 25	Feb. 1	Week's Prog.
Royalite 7	4,208	4,208	Nil
Royalite 12	5,409	5,419	10
Royalite 14	3,757	3,759	2
Royalite 16	6,000	6,000	Nil
Royalite 19	4,623	4,623	Nil
Royalite 21	5,010	5,010	Nil
Royalite 23	5,331	5,331	Nil
Royalite 24	Rigging	140	140
Dalhousie 7	4,752	4,767	15
Foothills 3	6,015	6,054	39
Home 4	5,547	5,584	37
Home 5	3,910	4,026	116
Home 6	1,360	1,698	338
N.W. Assoc. 2	2,598	2,749	151
Mayland 1	6,242	6,242	Nil
Mayland 2	3,938	3,938	Nil
Mayland 3	4,173	4,241	68
Advance 5A	4,023	4,141	118
Sterling Pac.	5,807	5,951	144
Baltac	5,504	5,504	Nil
Lowery Pete	5,125	5,125	Nil
C. D. & P.	2,082	2,082	Nil
Hargal	4,938	5,076	138
N.W.C.E.	1,121	1,374	253
South. Lowery	1,570	1,965	395

McLEOD WELLS AGAIN PRODUCE

Mercury No. 3 in Limestone, Further Drilling With Rotary

From Our Own Correspondent

CALGARY.—McLeod wells Nos. 1 and 3, from which production had been cut off for some time owing to freezing at the bottom of the wells, have again come into production. The tools were put down, and on January 23 No. 1 blew in, followed on January 27 by No. 3.

The production of No. 1 well is not yet quite back to its normal flow, giving at present 30 barrels per day, but No. 3 is giving its regular quota of 60. With No. 2 well producing from 70 to 80 barrels per day, and No. 4 yielding from 6 to 10, the company's total production at present stands anywhere from 166 to 180 barrels per day.

Mercury 3 in Limestone

Mercury No. 3 well drilled into the limestone on Thursday, January 30, at a depth of 5075 feet, according to information given to The Financial Post by officials of the company.

Aside from those wells drilled in the south end of Turner Valley by Royalite Oils, Mercury No. 3 is the first to reach the limestone in that part of the field. It was started on June 28, 1929, originally as Sunlight No. 1, later becoming Mercury No. 3 when Mercury Oils Limited acquired Sunlight.

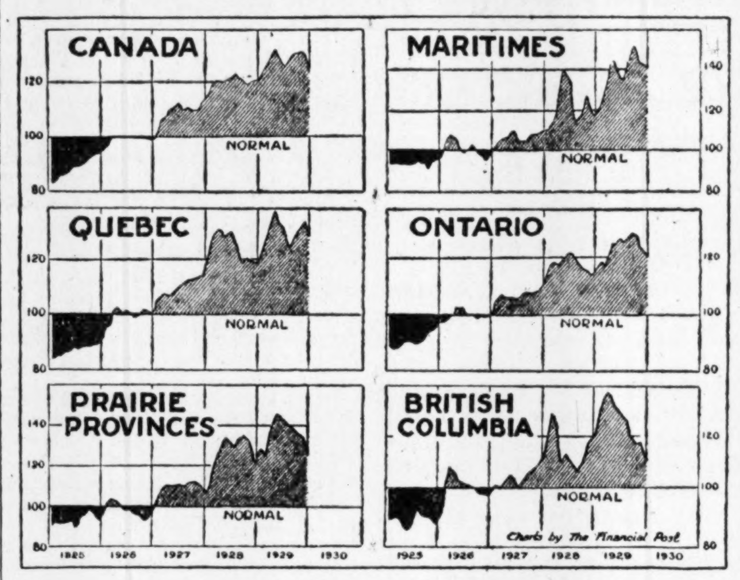
It is expected that a 6¼-inch casing will be set with cement as soon as a depth of ten or fifteen feet in the lime has been reached. Drilling is proceeding with rotary tools.

Acme Gas & Oil Spud in Well No. 3 in Dover Field

Acme Gas & Oil Company have recently spudded in their well No. 3 in the Dover field. It is stated that finances of the company are ample to complete the drilling of this well and also carry on the developments now under way on other holdings.

Acme No. 4 is located slightly to the west of Acme No. 2, on which a flow of 10,000 feet of gas a day was secured, and is directly south of Ajax No. 4. It is stated that, in view of the experience gained from other wells in the locality, the location of Acme No. 3 is the last logical direction in which the gas flow from Ajax No. 4 can be expected to be tapped.

Canadian Business by Economic Areas



The business indexes of the five economic areas, constructed from prominent factors with geographical distribution unanimously averaged higher in 1929 than in the preceding year. Increases ranged from 4.3% in Quebec to 12.6% in the Maritimes. The gain in Ontario was 9.5%, while the Prairie Provinces and British Columbia showed increases of 7.5% and 7.9%, respectively. The value of construction work contracted for during the year showed a gain of 22%. Though the general gain in December compared with the same month of 1928 was only about 4%, gains were recorded in each of the five economic areas except British Columbia. After seasonal adjustment declines were general in the five areas in December compared with the preceding month. Even in this comparison the recession was moderate, not exceeding 5% in any of the five economic divisions.

December Saw Declines General Through Canada

Current Year Opened With Declining Tendency in All Economic Areas of Country

By SYDNEY B. SMITH

Economic progress was fairly general throughout the five economic areas of Canada during 1929. The western areas were adversely affected during the latter half of the year, and the reaction in the last two months was practically general in each of the five areas. Despite these deflections, the economic activity of 1929 in each area was of greater intensity than in any previous year during the period of observation from 1925 to the present.

In the first quarter the composite index for Canada moved up into new high territory and fluctuation during the remainder of the year was within comparatively narrow limits. Though 1928 was regarded at the time as a maximum in Canadian prosperity, the index of industrial activity computed in this connection averaged about six per cent higher in 1929 than in the preceding year. The spectacular feature was furnished by the construction industry, the contracts awarded showing a gain of 22 per cent. This marked expansion in construction reflected the commencement of many large projects in the fields of industry, mining and power.

The generation of electric energy is a good indication of expansion in industrial operations in 1929. The output of the central electric stations was $17,629,000,000 k.w.h., a gain of 10.6 over 1928. The number of working forces as reported by employers averaged 6.6 per cent higher in 1929 than in the preceding year, a significant element in the national prosperity. The sales of life insurance by companies having in force 84 per cent of the total business in Canada, were $609,000,000, a gain of 6 per cent.

A reactionary note was sounded in 1929 by the gain in commercial failures from 2,037 to about 2,133.

Maritime Provinces

The striking gain in the Maritime provinces was one of the features of the year. The seven factors with the exception of construction contracts awarded showed unanimous improvement, the business index averaging 12.6 p.c. higher than in 1928. Owing to a large contract placed in 1928 for the Mersey River Pulp and Paper development, the contracts awarded in 1929 showed a decline, the total last year being $20,178,000. Building in the cities, on the other hand, showed considerable expansion. With the power plant at Grand Falls, New Brunswick, in operation the generation of electricity showed a gain of 58.8 p.c., the total output being 185,200,000 k.w.h. Employment averaged 7.6 p.c. greater in 1929, a good showing for an index not subject to wide fluctuation. Of this financial factors, bank debits and sales of insurance were up 7 p.c. and 9 p.c. respectively, while the commercial failures situation was considerably more favorable.

Quebec

The business index of the province of Quebec followed the trend of the index for Canada as a whole, the fluctuation being considerably greater. The comparison with 1928 presents a bright picture of business expansion. The index averaged 4.3 p.c. greater than in 1928, commercial failures presenting the only reactionary factor. At $187,800,000 construction contracts were 30 p.c. greater in 1929. The Beauharnois contracts swelled the total and the proposed railway terminals in Montreal and several other large projects in contemplation justify confidence as to the trend in 1930. Building in the cities showed a gain of 15.6 p.c. The output of electric energy exceeding any other of the four economic areas by a wide margin, amounted to 8,676,000,000 k.w.h., a gain of 13 p.c. Employment showed an increase of 4.6 p.c., the index standing at 107.4 on January 1 last compared with 103.3 on the same date of one year ago. Bank debits were up 10.5 p.c. and insurance sales showed a gain of 8 p.c. There were nearly 900 failures in Quebec during the year, a moderate gain over 1928.

Ontario

Business activity in Ontario gathered momentum during the first nine months of 1929, a moderate decline being shown in the last quarter. The business index averaged 129.0 in the year under review, a gain of 9.5 p.c.

Construction contracts were valued at $215,800,000, the increase over 1928 being 14 p.c. Building permits were down and the generation of electric energy was slightly more than maintained. The state of employment was satisfactory, the gain in the average of the index being 8.5 p.c. Financial transfers in the form of bank debits were 7 p.c. greater and sales of life insurance showed a growth of 8 p.c. There was little or no change in the number of firms going into bankruptcy.

Prairie Provinces

The Prairie provinces commenced the year with rapid expansion, but agricultural developments resulted in reaction toward the end of the year. The factors measuring the physical volume of progress were decidedly favorable during 1929 in comparison with the preceding year. despite the decline in the latter months. Contracts awarded were up 58.5 p.c., and permits issued in the cities showed a gain of 29 p.c. The output of electricity from hydro-electric plants at 1,200,000,000 k.w.h. was 13.5 per cent greater and the output generated from fuel showed a gain of 20.5 p.c. Industrial employment averaged 7 p.c. greater, no account here being taken of the reduction in employment in agriculture. Bank debits and sales of insurance were less in the year under review. The assignments under the bankruptcy act were less than in 1928. The general result was an increase of 7.5 p.c. in the business index.

British Columbia

In regard to British Columbia, the seven factors used here were more favorable, no exception being in evidence to the general advance, when the totals for the year are taken into consideration. Construction work put in hand showed an increase of 31 p.c., and building permits issued in the cities gained 10.5 p.c. The gain in the output of electric power was limited to less than 2 p.c. due mainly to the dry weather. Employment was nearly 5 p.c. greater on the average. Bank debits and insurance sales were up 17 p.c. and 15 p.c., respectively, and commercial failures were slightly less than in 1928. The highest point of activity in British Columbia was reached in February, while the reaction in subsequent months lasting to the end of the year, tended to counterbalance the good showing of the early months.

While considerable recession was in evidence during the latter half of 1929, the indexes for the last month of the year shows that business activity in Canada and each of the economic areas, with the single exception of British Columbia, was still at a higher level than in December, 1928. Building permits were less, while construction contracts showed a gain of 72 p.c. Electric power output was up to 6.6 p.c. and employment was 2 p.c. greater. Bank debits and sales of insurance were down moderately. The general index for Canada showed a gain of nearly 4 p.c.

December Business

The developments in December were more significant than usual was indicated by the general decline from the levels of the preceding month in the business index of each of the five economic areas after the usual adjustment for seasonal tendencies. Though after seasonal adjustment building permits showed moderate increase and employment was well maintained, the remaining factors were less favorable and moderate declines were registered in the business index of each of the five economic areas and in Canada as a whole.

The present year commences with a declining trend in evidence in the several economic areas. Exceptionally high levels were reached in 1929, exceeding all preceding records. Under the circumstances comparisons in general during the first six months of 1930 will doubtless show reduction when compared with the corresponding months of 1929. Present indications are that the trend during the latter part of 1930 will present a brighter aspect.

Build New Pickle Factory

The Vancouver Pickle Company Limited, has recently moved into a new factory specially constructed for the manufacture of their products. It is reported that the main building measures 56 feet by 104 feet with lean-to 56 feet by 16 feet. Concrete floors have been laid throughout and the building is considered sanitary and up-to-date.

A. P. CON. SOON TO START DRILL ON NEW LANDS

New Interest Aroused in Area South of Lethbridge

CAIGARY.—The recent acquisition by Alberta Pacific Consolidated Oils Limited of one-half interest in 20,000 acres in the Spring Coulee field forms an important part in the recent expansion programme of that company.

The Spring Coulee field is located about 35 miles southwest of Lethbridge and 20 miles north of the international boundary line: Geologists report six potential oil and gas horizons in this field. The Foremoist structure is encountered at a depth of about 3,200 feet, followed by the Milk River, Basil Colorado, Sunburst, Ellis sandstone and, finally, the Madison Lime at about 5,000 feet. Several commercial wells have already been brought in from these various horizons by drillers in Southern Alberta and Montana fields.

A. P. Con. officials state their intention to commence drilling operations on this property as soon as their recently purchased heavy rotary equipment arrives. The cellar has been dug for the first of this company's wells in this field and it is expected that everything will be in readiness to commence actual drilling of this well not later than March 1.

It has not yet been announced how many wells the company intends to drill in this field, but doubtless the company will put down a number of holes if the first shows any reasonable measure of success.

CROWN-DOMINION OIL PLANS NEW STATIONS

Expanding Activities on Conservative Scale

Gasoline sales made by Crown-Dominion Oil Company during the eight months ended December 31 amounted to approximately 3,500,000 gallons, according to an official of the company, and sales during the current year may be expected to reach 5,000,000 gallons. The first annual report of the company will be made public during the next few weeks, and prior to the annual meeting which will be held late in February.

The company is now operating some 14 gasoline service stations in Toronto, Hamilton, St. Catharines, Welland and Niagara Falls. Plans are at present under way for additional stations in Toronto, Hamilton and St. Catharines and during 1930 it is expected that some 10 or 12 new stations will be placed in operation, although the company will not get full results from the new stations until 1931.

The fiscal year 1929 was one of organization and slow development and it is reported that the financial statement of the company will reflect these conditions. The outlook for 1930 is considered optimistic and the company is pursuing a course of conservative expansion. The present company was formed in March, 1929, and acquired the properties and assets of Dominion Oil Company, Ltd.; Crown Oil Company, Ltd., and Sterling Oil Company, Ltd. No dividends have as yet been paid on the no par value shares of the company, of which there are 69,635 shares outstanding.

Ventures Sends Drill To Opemiska Claims

Following on the recommendation of Gordon Hardy, consulting engineer, Ventures Limited has despatched a diamond drill to its Opemiska Lake holdings. Taking in of the drill necessitates the cutting of a winter road from the railway to the property, and officials state that it will probably be the middle of February before the drill reaches the claims.

Diamond drilling results will be awaited with keen interest in view of the fact that the Opemiska copper-gold discovery of Prospectors Airways, was considered the outstanding find of last season.

Dominion Canners Acquires Canning Companies in B.C.

Dominion Canners (B.C.) Ltd., subsidiary of Canadian Canners, Ltd., with headquarters in Vancouver, has acquired two canning plants in British Columbia formerly known as Farmers' Canning Company, Ltd., of Mission, and Ashcroft Canners Ltd., of Ashcroft.

The company now has eight canning factories in its chain engaged in preserving fruits, vegetables, jams and jellies. In addition to the new plants, factories are operated in Kelowna (2), Keremeos, Oliver and Penticton.

WAINWELL OILS NEED ADDITIONAL CAPITAL

Special Meeting Called For Feb. 21 to Consider Plan

New financing for Wainwell Oils, Limited, is in prospect and plans will be placed before the shareholders at a special meeting called for February 21. Difficulties encountered in drilling and operation of the company's four wells in the Wainwright field will necessitate expenditure of approximately $8,000 according to J. Harry Dodgson, president of the company, and some $25,000 will be needed to continue development of the property.

Directors of the company are at present considering steps to be taken to raise new capital with which to continue operations and no definite plan has as yet been adopted. The company has an authorized and issued capital of 3,000,000 shares of no par value and it is unlikely that the authorized capital will be increased. The shares were split 10 for 1 in July, 1928.

It is stated that well No. 4 was brought in with a flow of some 20 to 30 barrels per 8 hour day in January but that trouble in the form of salt water was met and the well was cemented. It is expected that drilling through the cement will be completed within a few days. Well No. 2, which had an initial flow of 40 million feet of dry gas daily, shows signs of oil in the piping and the pressure is down. It is believed that with special equipment both oil and gas can be secured from this well. Well No. 1 requires cementing and well No. 3 is down some 1,800 feet with about 175 feet to go to reach the second sands. Operations have been reduced to a minimum on the property pending the raising of new capital.

B.C. HOPES TO SELL P.G.E. TO RAILWAYS

A Government Spokesman Voices Hopes of Getting C.N.R. or C.P.R. to Buy

From Our Own Correspondent

VANCOUVER.—Sale of the Pacific Great Eastern Railway to either the Canadian Pacific railway of the Canadian National Railways and its extension as far as Finlay Forks and the Peace River country is the hope of the provincial government.

This was the declaration of Col. Nelson Spencer, government spokesman, on the first day of the 1930 session of the legislature. Col. Spencer, who recently made an airplane trip into the Peace River country with other coast business men, asserted that he was sure a railway running from the coast to the Peace River would be a boon to Western Canada.

A survey of the natural resources of the area served by the Pacific Great Eastern Railway and of the railway's assets and possibilities is now being made by experts representing the government and the two railways. It is believed here that as soon as the survey is completed and a value placed on the road some definite action will be taken toward disposing of the property, which has now cost the province upward of $65,000,000.

Several significant conferences have taken place in Victoria recently between representatives of the two transcontinental railroads and Premier S. F. Tolmie.

Industrial Alcohol Meeting Set for April 15 Next

MONTREAL.—April 15 has been set as the date for the holding of the annual meeting of Canadian Industrial Alcohol Company, Limited, by Justice Surveyer. This was agreed to by both sides to the dispute in the Davis Estate.

Hearing on the petition of Lady Mortimer Davis and Mortimer Davis, Jr., to have Lord Shaughnessy and A. M. Reaper removed as executors of the Sir Mortimer Davis Estate will be held on March 3.

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Read the History of the Brokerage Scandal!

The Financial Post was the First to tell the world about the unethical practices in mining finance.

In a bold editorial on the front page of its November 7th issue, The Financial Post shot off the first gun in its campaign to have the methods of mining finance in Canada investigated. It was headed "*Gigantic Manipulation in Mining Industry Hits Public Confidence.*"

Other articles followed each week, giving the readers of The Financial Post a detailed and authoritative exposure of the methods followed by certain unscrupulous brokers and others connected with mining finance.

"Bucketing Brokers Bet Against Public and Make Clean-up." November 14th.

"Exchange Audit Demanded to Show Brokers Going Short on Public's Money." November 21st.

"Action by Authorities Essential if Exchanges Not Reformed at Once." November 28th.

"Chiselling Each Other, Running Decoy Houses, Evils Demanding Attention." December 5th.

"More Rigid Requirements for New Share Listings Needed to Protect Public." December 12th.

"Greedy Mining Brokers Often Dump Vendor's Stock and Kill Off Good Mines." December 19th.

"Stake Worthless Claims in Fever of New Rushes and Public Loses Money." December 26th.

"Shareholder is Entitled to Complete Information From Mining Companies." January 2nd.

"Mining Engineers Find Incompetent Systems Bring Disrepute Upon Profession." January 9th.

Neither the Dominion Government nor the Government of the chief mining provinces of Canada could disregard these exposures. Following The Financial Post's lead, the daily and weekly newspapers took up the case and crystallized public opinion from coast to coast. The result you now know — investigations, arrests, and an overwhelming demand for a correction of the abuses which The Financial Post exposed.

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HOSTEL MERGER DROPPED ON EVE OF COMPLETION

Securities of Twelve Component Parts Are to Be Returned

CONDITIONS ADVERSE

Market Decline and Objections of Bankers Proved Obstacles That Could Not Be Overcome

The plan by which it was sought, through the creation of the United International Hotels, Inc., to bring 12 profitable and prominent hotels on both sides the border under a single executive management, has fallen through, and the securities which were lodged with a committee, designed to perfect the details, will be returned forthwith to their original owners.

The committee, consisting of Frank A. Dudley, Charles Dougherty, Hon. P. R. Du Tremblay and William Dewey Loucks, has issued a formal statement to those interested in which it is made clear that it was not the merits of the plan upon which shipwreck was made so much as upon the surrounding circumstances. The final success of the plan was primarily attendant upon the raising of new capital, and this, it was believed, would be impossible in the circumstances.

Market Affects Merger

The proposed plan, which provided for the unification of 12 hotels under one management, was approved by the shareholders of the respective organizations on September 10 last, and discussion of the necessary, and attendant, agreement was then undertaken. A couple of months later, while the debate was still under way, a drastic decline occurred in the security markets, and this finally altered the complexion of affairs very materially.

The main portion of the letter of the committee to the shareholders of the various companies, explaining the lapse of the merger, was as follows:

"In abandoning the plan the committee wishes to state that every effort has been made by the committee to carry the plan into effect. In these efforts the committee has been ably assisted by the personnel of the local Boards of Directors, the organization of the United Hotel Company of America and by the bankers.

"In an undertaking of this magnitude and complexity it was natural that there should arise misunderstandings in the minds of individual stockholders as to the effect and meaning of the plan and its probable outcome. Many delays were experienced on account of the difficulty of accurately interpreting its meaning to individual stockholders, and, while sufficient stock was deposited to warrant the committee in proceeding with the consummation of the plan, it has been felt that the wishes of the minority should receive the utmost consideration.

Shareholders Were Chagrined

"The radical readjustment of the market in November resulted in a condition of depreciated value of common stocks as compared with those of preferred stocks. Many depreciated stock holders had come to a decision to exchange their preferred stocks for common stocks prior to this readjustment of the security markets and were bound by their deposit irrespective of the changed basis of values. In deciding to abandon the plan the committee has given consideration to the property of such depositing shareholders being reduced through their commitment.

"It is equally true that the debentures with warrants attached which it was proposed to sell to the bankers were designed to meet a market condition no longer existing. As a consequence the bankers were forced to the conclusion that these debentures were unsaleable at any time in the immediate future, and, under the terms of the plan, it was impossible to modify the debentures to meet the changed conditions.

"The committee has decided that to hold the deposited stock until October, 1930, as the plan provided, in the hope that a suitable market would develop for the sale of its debentures, would be unfair to the individual stockholders and consequently the abandonment of the plan was deemed to be in their best interests."

Dalhousie Plant Opening Postponed

From Our Own Correspondent

MONTREAL.—Considerable interest attaches to the announcement that the formal opening of New Brunswick International Paper Company's Dalhousie mill, which was originally set for February 14, has been postponed to a later date, probably about the last of February.

The official announcement of the company reads as follows: "Postponement of the opening of the new Dalhousie newsprint mill which was to have taken place February 14, was announced by officials of the company. Unfavorable weather conditions resulting in unforeseen delays in the installation of machinery and the operation of the mill are stated to be responsible for the postponement."

This mill is to have an initial capacity of 250 tons of newsprint daily. Equipment can be installed for an ultimate capacity of 500 tons daily.

DIVIDEND NOTICES

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

East Kootenay Power Co. Limited

Dividend No. 23

A DIVIDEND of One and three-quarters per cent (1¾%) being at the rate of 7% per annum on the 7% CUMULATIVE PREFERRED STOCK of EAST KOOTENAY POWER COMPANY, LIMITED has been declared for the quarter ending February 28th, 1930, payable March 15th, 1930, to shareholders of record February 28th, 1930.

By order of the Board.

L. C. HASKELL, Secretary.

January 24th, 1930.

The Canadian Bank of Commerce

DIVIDEND NO. 172

Notice is hereby given that a dividend of Three per cent upon the paid-up Capital Stock of this Bank has been declared for the quarter ending 28th February, 1930, and that the same will be payable at the Bank and its Branches on and after 1st March next to shareholders of record at the close of business on the 31st day of January, 1930. In the case of the new stock being paid for by instalments the dividend is subject to the adjustment provided for in the notice of allotment. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 17th January, 1930.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after SATURDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1930.

By Order of the Board.

H. B. MACKENZIE, General Manager.

Montreal, 21st January, 1930.

SIMON'S

H. SIMON & SONS Limited

DIVIDEND NOTICE

The regular quarterly dividend of 1¾% on the Preferred Stock of H. SIMON & SONS, LIMITED, has been declared payable the 1st day of March, 1930, to Stockholders of record as of the 18th day of February, 1930.

Also a quarterly dividend of Sixty-Two and One-Half (62½c) cents per share on the outstanding Common Stock of H. SIMON & SONS, LIMITED, for the three months ending the 28th day of February, 1930, payable the 1st day of March, 1930, to Stockholders of record as of the 18th day of February, 1930.

By Order of the Board.

A. E. M. WARNER, Secretary-Treasurer.

Montreal, Que., January 28th, 1930.

INTERNATIONAL PAPER and POWER COMPANY

Class A Common Stock Dividend

The Board of Directors has this day declared a regular quarterly dividend of sixty cents (60c) a share on the Class A Common Stock of this Company, payable February 15th, 1930, to Class A Common Stockholders of record at the close of business on February 1st, 1930. Checks to be mailed. Transfer books will not close.

R. G. LADD, Ass't. Treas.

Boston, Mass., January 8th, 1930.

McCOLL-FRONTENAC OIL COMPANY LIMITED

COMMON STOCK DIVIDEND No. 2

NOTICE IS HEREBY GIVEN that a dividend of 15 cents per share, being at the rate of 60 cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending February 15th, 1930, payable March 15th, 1930, to shareholders of record at the close of business on February 15th, 1930.

By Order of the Board.

ARTHUR HUGHES, Secretary.

January 28th, 1930.

EQUITY MAINTAINED IN SECOND REPORT INV. BOND & SHARE

Investment Trust Makes Good Showing Despite Break

From Our Own Correspondent

MONTREAL. — Depreciation in market value of its securities, of only 5.98 per cent, is indicated by the second annual report of Investment Bond and Share Corporation, submitted to shareholders this week. The report covers the twelve month period ending December 31, 1929, and shows the company with net assets at that date with a market value of $5,787,709, available for the $4,000,000 of outstanding debentures. Preferred shares amounting to $1,750,000, are therefore secured by an equity of $1,787,709, after making full provision for depreciation in market value of securities as at Dec. 31, 1929.

Revenue $153,652

The statement shows interest and dividends received totalled $381,740. After deducting general expenses, taxes, interest on loans, etc., there remained $359,393 available for the $200,000 debentures interest. After deducting this debenture interest and making provision for Federal income taxes, there remained net revenue of $153,652.

In the report to shareholders, Sir Herbert Holt, president, makes the following statement:

"Gross income from interest and dividends amounted to $381,740, against expenditures, including interest on debentures, dividends on Preferred Stock and all expenses, were $333,088, leaving a net surplus for the year of $48,652. No credit has been taken for stock dividends in income account.

"Realized capital profits during 1929 amounted to $430,069, which amount your directors have transferred to the credit of investment reserve.

"After taking into consideration the amount at the credit of investment reserve the market value of the securities owned by your corporation at the close of the year showed a depreciation from book value of $342,914, or 5.98 per cent."

More Wool Produced

Wool production in Canada in 1929 is estimated by the Dominion Bureau of Statistics at 21,234,000 pounds as against 19,611,430 pounds in 1928. The values were respectively $4,247,000 and $5,099,000.

DIVIDEND NUMBER 198

Hollinger Consolidated Gold Mines, Limited

A dividend of 1% on the outstanding Capital Stock of the Company has been declared payable on the 25th day of February, 1930, on which date cheques will be mailed to shareholders of record at the close of business on the 11th day of February, 1930.

Dated the 4th day of February, 1930.

I. McIVOR, Assistant-Treasurer.

MITCHELL SHARE EARNINGS HIGHER FOR PAST SEASON

Balance Sheet Reveals Number of Good Features

From Our Own Correspondent

MONTREAL.—Higher earnings and a general improvement in the balance sheet position of J. S. Mitchell and Company, is seen in the report for the 12 months ended Dec. 31, 1929. Gross profit shows an expansion from $357,093, to $365,250, while the net available for distribution to the common stock shareholders increased from $90,680 to $95,897.

On the basis of 15,000 shares of no par value common stock outstanding, per share earnings last year were equivalent to $645. This compares with $6.04 and $5.30 in 1928 and 1927, respectively.

Particulars of the profit and loss account follow:

	1929 $	1928 $	1927 $
Gross profit	365,250	357,093	313,652
*Expenses	242,795	237,402	210,304
Balance	122,454	119,691	103,848
Other income	10,354	10,297	17,505
Net income	132,809	129,988	120,853
Pref. divds.	35,948	39,308	41,304
Surplus	96,861	90,680	79,538
Tax adj. 1928	964	......	......
Balance	95,897	90,680	79,538
To Gen. Res.	......	......	47,396
Net surplus	95,897	90,680	32,142
Prev. bal.	169,017	78,337	56,303
P. & L. bal.	264,913	167,017	88,446

* Including provision for income tax.

Add to Assets

Various favorable features are noted in the balance sheet as at Dec. 31, 1929 Total assets are up from $1,368,541 to $1,439,139. Working capital is shown higher at $791,129 from $752,381 in 1928. Cash on hand shows an increase of nearly $29,000 to $164,885, while accounts receivable are up from $412,508 to $472,418. Inventories show a slight decline from $269,978 to $253,747. Investments are up about $5,000 to $123,857; while fixed assets are off from $428,942 to $421,654. Prepayments show a slight increase of $2,575.

Among liabilities accounts payable are up from $171,478 to $199,230. A new item of dividends payable, amounting to $8,750, appears on this year's balance sheet. Accruals total $15,800, as against $13,600 a year ago. Mortgage payable has been cut down $10,000 to $110,000, while at the same time $54,000 of preferred stock has been redeemed, the amount of this stock now outstanding totalling $500,000. The capital and surplus is carried at $605,358, up from $509,462 a year ago.

CANADA DRY PROFITS GAIN IN 1st QUARTER

Substantial Increase Made in Sales in Month of December

Net profits of $750,835 are reported for Canada Dry Ginger Ale, Inc. for the quarter ended December 31, 1929, constituting the first quarter ended December 31, 1929, constituting the first quarter of the current fiscal year. This compares with net profits of $699,127 for the corresponding quarter in 1928. Sales are reported at $2,772,277, an increase of $4,464 over the corresponding quarter of 1928 after allowance for certain items shown in 1928 which have since been discontinued.

P. D. Saylor, president of the company, states that while sales decreased in October and November, there was a substantial increase in sales in December which was more than sufficient to absorb the previous decreases and to bring sales for the quarter above those of the corresponding 1928 quarter.

In spite of the slight difference in total dollar sales the profit from operations increased by $103,386, due to decreased costs of sales and expenses. Revenue from sources other than operations shows a decrease from $79,019 to $65,759 and expenditure on account of taxes and depreciation have increased.

A comparative statement for the last quarter of 1929 and 1930 follows:

	1929	1928
Net sales	2,772,276	*3,163,266
Less: Cost of sales	1,874,690	2,369,066
Profit from oper.	897,586	794,200
Add: Other income	65,759	79,019
Gross income	963,345	873,219
Less: Other deductions	57,044	45,568
Depreciation	70,366	58,987
Taxes	85,100	74,536
Net profit	750,835	699,127

* In comparing total sales deduction from the 1928 figure should be made for: (1) subsidiary company bottles and box deposits; (2) campfire marshmallow sales; (3) Sumoro orange sales, figures for which are not included in 1929 sales. After such deduction, sales in the last quarter of 1929 are $4,464 in excess of the corresponding quarter of 1928.

Tape Readings

B.A. Oil

Weakness in British-American Oil this week is interpreted as meaning that the time has not yet arrived when rights are popular with traders.

* * *

International Nickel

Trading in this stock has been heavy in the last week, but apparently there is plenty of the stock to be offered under 40. Nevertheless, astute market observers consider this issue one of the most promising on the Canadian or New York list. There are likely to be further broad fluctuations.

* * *

Winnipeg Electric

Upward move in this stock in the last week was encouraging to holders who had seen it sagging for months despite a promising outlook. —An advance would add to the attractions of the bonds of Northwestern Power, which are convertible at 65 up to January 2, 1933.

* * *

Fanny Farmer

The report of Fanny Farmer Candy Shops, Inc., for 1929, probably will be published within a few days. For 1928, the company earned $2.71 per common share after preferred dividends and preferred stock sinking fund. A good gain is believed to have been achieved in 1929. This stock always has acted badly in the market, but is seemingly a bargain around the present level of 15½ to 17, or less than six times the probable earnings.

* * *

Steel Stocks

The steel group—Steel of Canada, Page-Hersey, Dominion Bridge, etc. —are considered by leading brokers as among the most promising of Canadian stocks at the present.

* * *

Walker—G. & W.

Hiram Walker - Gooderham & Worts still has its friends, who point to a good yield and excellent liquid position of the company. But the stock never has been one which readily found its way into strong-boxes and while much of it has been picked up recently by investors wishing a high yield, there is said still to be a large block of the stock overhanging the market.

* * *

Interest Paid Brokers

Montreal Stock Exchange has reduced to 6½ per cent the rate of interest charged customers' debits for such stocks as International Nickel, Canada Dry, C.P.R., Abitibi and Twin City. These are stocks which also are listed in New York, where the prevailing call loan rate is below the Canadian level. The Toronto rate and the rate on purely Canadian stocks remains at 7½ per cent, but it is expected that there will be a revision downward within a short time.

* * *

Page-Hersey

The dividend rate has been increased to $5 per share.

MONTREAL CURB ADOPTS NEW RULE

From Our Own Correspondent

MONTREAL. — New trading rules have been adopted by the Montreal Curb Market. At the same time the president states that members must submit to the board of management at least once in every six months a statement certified by a chartered accountant approved by the board to the effect that the member is solvent, according to information as shown by the books. This ruling has been in effect since the inauguration of the Montreal Curb Market.

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MONTREAL

MONTREAL ISLAND POWER'S REPORT TELLS PROGRESS

More Bonds Issued During Year to Complete Project

From Our Own Correspondent

MONTREAL.—The first annual meeting of the Montreal Island Power Company was largely a routine affair. No financial statement was presented as the company's plant did not come into production until toward the end of the year. It will be recalled that three units of 12,000 h.p. capacity each were brought into operation at the beginning of November. A fourth has since been started up, while two others will be brought into service sometime this month.

An interesting feature of president J. S. Norris' report, was the reference to additional financing during the year. A further $1,250,000 of the company's first mortgage bonds were sold privately, bringing the total outstanding up to $9,250,000, which compares with the authorized issue of $10,000,000. The first offering of these bonds had attached warrants to purchase common stock. Such was not the case with the second offering.

Tells of Developments

The remarks of the president to the shareholders follow:

The company's hydro-electric plant on Rivière des Prairies was successfully put into operation November 1 to 6, 1929, three units operating at partial load (20 ft. head) generating 20,000 h.p. or sufficient to fulfill the company's contract obligations to Montreal Light, Heat & Power Consolidated. Of the three remaining units one has since been inaugurated, the other two, it is expected, will be ready for operation this month, February proximo.

"It has been necessary up to the present to operate the plant at relatively low head to accommodate the contractors working (for the city of Montreal) in the headrace on subaqueous footings for new bridge crossing the river about two miles above the Power House.

"During the year your directors sold to advantage further $1,250,000 of the company's 5½ first mortgage bonds, to provide the necessary money for the completion of the development, bringing the outstanding bonds to $9,250,000 out of an authorized issue of 10,000,000,000.

"In view of the short operating period since inception (construed as tuning up period) combined with the fact that operations were conducted during the progress of construction work your directors have felt justified in charging operations (and crediting the revenue) for the period to capital account, consequently have no revenue account to submit.

Can You Pick Men?

Your ability to choose the right man for the right job makes you a really great executive. Let me assist you through an analysis of the handwriting of men for new positions. Many executives have found this service invaluable.

Send handwriting for analysis to F. D. Jacob, Dominion Government Graphologist, P.O. Box 701, Ottawa. Character and vocational analysis, $3.00. Health analysis $2.00 additional. Prompt reply.

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588 Huron Street, Toronto

U.S. Congress Studies Branch Bank System

From Our Own Correspondent

WASHINGTON.—Congress is now preparing to study the advisability of permitting an emulation of Canada's branch banking system.

It has been decided that the House banking and currency committee will make the study. The Senate committee would have undertaken the work but it was decided to postpone it until the tariff bill is finished.

The presence of large-scale banking in a country so close to the United States as Canada has long inspired banking leaders here to emulate the example. The many shortcomings of the American banking structure were to a large extent remedied by the institution 17 years ago of the Federal Reserve system.

Lately the national banks have rapidly been surrendering their national charters and have been getting state charters, which allow more latitude of operation. One of the restrictions on the national banks is that they cannot establish branches outside of the city or town in which they were located. Even this limited right to establish branches was not allowed until recently.

NOTICE

Economic Investment Trust Limited

30 YEAR GOLD BONDS SERIES "A"

5% maturing 1st November, 1957

The time for the exercise of "Rights" under the above issue to subscribe for Common Stock has been extended from 1st April, 1930, to 1st April, 1931. These rights are exercisable 1st October, 1930, and 1st April, 1931.

By Order of the Board, C. R. Alderson,

Toronto, 21st January, 1930. Assistant Secretary.

ESTATES MUST PAY DUTIES ON VALUE AT TIME OF DEATH

Crash in Market Reveals That Subsequent Valuations Will Not Be Accepted

SOME ARE HARD HIT

The recent debacle on the stock market has created a situation unique in Canadian history inasmuch as the estates of those who died just previous to the crash were assessed for the purpose of probate at the valuation of the stocks at the date of their death. . . . . . .

"Estates of men who died recently which had listed as assets large blocks of mining stocks, were valued for purposes of probate at the fair market value of the shares at the day of the man's death," the trust company official continued. "In some cases the actual values of the estates are from one-third to one-half what they were on the day he died, and yet funeral expenses, costs of probate, other debts and solicitors' fees have to be met and the succession duty paid, and the only real assets left are real estate holdings or an interest in his business, which cannot readily be liquidated without great sacrifice. It clearly shows that every person should carry enough life insurance to at least pay the immediate charges against the estate for succession duty and provide for the dependents for a period of one year. That would give the executors a chance to straighten the affairs out and do so without undue hardship to those who benefit under the will."

—Toronto Daily Star, November 20, 1929.

Create an Insurance Estate TO-DAY

A few dollars invested annually, will purchase a guaranteed estate of thousands.

Life insurance is the first asset realized upon, because it is always worth par. Create an insurance estate to-day.

THE MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE: • TORONTO, CANADA

The Shawinigan Water & Power Company

The thirty-second annual report of the Board of Directors of The Shawinigan Water & Power Company was submitted to the shareholders at the annual meeting held in Montreal on February 5th, 1930.

The financial statement shows gross earnings for the year of $13,475,862.78 and net before depreciation of $5,907,979.58. The corresponding figures for 1928 were gross earnings $11,562,331.29 and net before depreciation $4,848,523.86.

After making the usual appropriations and transferring from surplus to general reserve account $952,002.22, and paying dividends on the common shares of the Company of fifty cents (50c) per share for each of the first three quarters of the year and sixty-two and one-half cents (62½c) per share for the quarter ended December 31st, 1929, the balance carried forward is $1,314,027.26, subject to deduction for 1929 income tax.

Statement of Condition, December 31st, 1929:

ASSETS

Fixed Assets:		
Power Development and Property	$73,603,663.97	
Machinery	20,693,067.18	
Transmission and Distribution Systems	28,014,012.48	
Securities of Subsidiary and Other Companies	28,833,868.15	
Total Fixed Assets		$151,144,611.78
Less—Capital Reserve		11,220,111.50
		$139,924,500.28
Current Assets:		
Moveable Plant and Stores	$1,318,922.07	
Prepaid Charges	316,678.44	
Accounts Receivable	2,590,883.93	
Call Loans	1,000,000.00	
Cash in Bank and on Hand	1,035,622.60	
Total Current Assets		$ 6,262,107.04
Total Assets		$146,186,607.32

Audited and Verified,
SHARP, MILNE & Co.,
Chartered Accountants.
January 16th, 1930.

LIABILITIES

Capital Liabilities:			
Capital Stock			$ 72,239,435.00
First Mortgage and Collateral Trust Sinking Fund Gold Bonds 4½%:			
Series "A"	$35,000,000.00		
Series "B"	17,147,000.00		
		$52,147,000.00	
Less: Bonds of Series "B" redeemed and cancelled by Sinking Fund		1,042,500.00	
			51,104,500.00
Laurentide Power Co. Limited Bonds:			
First Mortgage 5% Gold Bonds		$ 7,500,000.00	
Less: Redeemed by the Sinking Fund		1,090,000.00	
		$ 6,410,000.00	
General Mortgage 5½% Gold Bonds, Series "A"	$1,525,000.00		
Less: Redeemed by the Sinking Fund	65,500.00		
		1,459,500.00	
			7,869,500.00
Total Capital Liabilities			$131,213,435.00
Current Liabilities:			
Accounts Payable		$ 1,035,565.38	
Bond Interest and Dividends		2,105,377.50	
Total Current Liabilities			$ 3,140,942.88
Reserves:			
Reserve Account		$ 2,000,000.00	
Contingent and Insurance Fund		816,691.31	
Depreciation and Renewal Reserve		7,701,510.87	
Surplus (Subject to deduction for 1929 Income Tax)		1,314,027.26	
Total Reserves			$ 11,832,229.44
Total Liabilities			$146,186,607.32

Approved on behalf of the Directors,
JULIAN C. SMITH, W. S. HART, Directors.

PROFIT AND LOSS ACCOUNT, 1929

Gross Income from all Sources		$ 13,475,862.78
Less:		
Operating Expense	$ 950,757.80	
Power Purchased	1,224,814.35	
Maintenance and Repairs	925,750.14	
Taxes and Insurance	447,544.57	
General Expenses	862,209.29	
Water Storage Rentals, Provincial Government	299,053.17	
		4,710,129.32
Balance brought down		$ 8,765,733.46
Fixed Charges	$ 2,695,673.07	
Interest paid Laurentide Company, Limited	162,080.81	
		2,857,753.88
		$ 5,907,979.58
Transferred to Depreciation Reserve		800,000.00
		$ 5,107,979.58
Balance from Previous Year		1,475,653.15
		$ 6,583,632.73
Dividends for Year	$ 4,317,603.25	
Transferred to Reserve Account	952,002.22	
Total Surplus (Subject to 1929 Income Tax)	1,314,027.26	
		$ 6,583,632.73

The officers of the Company are:—J. E. Aldred, President; Julian C. Smith, Vice-President and General Manager; Howard Murray, O.B.E., Vice-President; W. S. Hart, Vice-President and Treasurer; James Wilson, Secretary. Directors:—J. E. Aldred, Maurice J. Curran, Henry J. Fuller, W. S. Hart, Sir Herbert S. Holt, Beaudry Leman, Gordon W. MacDougall, K.C., Col. G. P. Murphy, C.M.G., Howard Murray, O.B.E., C. E. Neill, Hon. J. L. Perron, K.C., Julian C. Smith.

Historic 75th Annual Meeting of Canada Permanent Mortgage Corporation

Annual Gathering of Shareholders Held For Last Time in Head Office Building Occupied for Seventy-two Years.

New Earnings Record Established for Canada's Oldest and Strongest Mortgage Corporation.

Mr. W. G. Gooderham, President; Mr. George H. Smith, General Manager, and Mr. E. R. C. Clarkson, First Vice-President, Address Shareholders.

THE PRESIDENT, Mr. W. G. GOODERHAM, moved the adoption of the Directors' Report, and said:

The Financial Statement and Annual Report we have had the pleasure of presenting is, as usual, an eminently satisfactory one, and we believe it will afford the Shareholders the measure of gratification which your Directors have had in being able to submit it.

The Net Profits amount to the large sum of $1,058,271, and again are the greatest in our history. In view of the difficult financial situation throughout the year, the result somewhat exceeds our expectations, and gives us increased encouragement for the future.

A year ago I ventured, in common with many others, to hoist a danger signal with reference to the feverish speculation with which large numbers in practically every walk of life had become infected, and which, through continuance for an unusually protracted period, had assumed a most virulent type. At that time a large volume of credit had already been absorbed. From month to month the situation became more acute, increased deposit withdrawals took place, and there were comparatively few buyers of bonds in a dear money market. This was true everywhere, but particularly so in Great Britain, where a large aggregate amount of our debentures became due and were not fully renewed. In view of the unfavorable conditions, we were extremely fortunate to slightly increase the amount of our debentures payable in Canada, but not to an extent sufficient to offset the moneys returned to Great Britain, and our total funds are about half a million dollars less than last year.

The acute financial stringency to which I have referred was further complicated, in Canada, by greatly reduced crops of wheat and other grains and by the withholding of a large portion of these grains from market. While the abnormal credit situation created by stock market speculation has to a very considerable extent been corrected, a large volume of credit remains tied up in the carry-over of western grain, deferring the return of easier money and holding the Canadian dollar at a discount. It is an interesting experiment, in which the pools are being supported by the Banks, but one cannot be certain that it is not attended with some hazard. In the interests of all Canadian trade, as well as of the grain growers themselves, we are bound to trust that it may prove successful. We also hope that such success may not be purchased at the too great cost of our Canadian wheat losing the preferred position it has long held with the English milling trade.

Unfavorable Trade Balance

Largely in consequence of our agricultural products not having gone forward to market as freely as in previous years, while there was a further increase in imports, for the first time since 1922 Canada had an unfavorable trade balance. Imports from the United Kingdom and other portions of the Empire increased about $6,000,000, and aggregate $258,000,000, while exports to the United Kingdom decreased by about $150,000,000 to $309,000,000, and those to other Empire countries increased by about $8,000,000 to $106,000,000, making total exports to all parts of the Empire about $415,000,000.

On the other hand, imports from foreign countries increased by $88,000,000, this increase being practically all from the United States, and totalled $1,050,000,000, while exports to foreign countries increased only $17,000,000, notwithstanding an increase of $41,000,000 in exports to the United States, the aggregate being $809,000,000. Total imports from the United States were $902,000,000 and exports to that country $529,000,000.

We, therefore, have a reduced surplus of exports to the United Kingdom and other portions of the Empire of $157,000,000, and a surplus of imports from foreign countries of $241,000,000.

The principal decrease took place in exports to Finland, Germany, Greece, Italy, Netherlands, Norway, Portugal and Sweden. The countries to which exports were increased to an appreciable extent were Argentina, China, France, Japan, Russia, Spain and Switzerland; as well as to the United States, as already mentioned.

Empire Economic Congress

I have thought it might be interesting to give this brief analysis of our foreign trade in view of the fact that a meeting of the Empire economic congress is to be held this year. We trust a determined effort will be made at this meeting to find a solution for a lop-sided condition which we believe can to a considerable extent be corrected. Empire free trade, in the strict sense of the term, is impractical. A free discussion of all the problems should, however, be of assistance in evolving policies calculated to stimulate, first, the production in our own country of as much as is economically possible of our own requirements and, second, the purchase of Empire products as far as we consistently can whenever our requirements are not met by our home production. In connection with the first of these, every encouragement should be given to conversion of our raw materials into the finished product at home, thus affording employment to many more of the most skilled and highly paid class of labor. As regards the second, it will be necessary, in addition to any fiscal policies which may be adopted, to find a means of educating the British manufacturer who desires to sell his products in Canada to make a careful survey of the market with a view to supplying it with goods which will meet with the favor of the purchasing public.

In September last there passed away Mr. A. E. Osler, who had been one of your Auditors for nearly thirty years. He was greatly respected and esteemed by a wide circle of acquaintances and friends. While he had not been in good health for some time, his death was quite unexpected and was a shock to us all. To complete the audit for year the Directors appointed Mr. D. McK. McClelland of the well-known firm of Price, Waterhouse and Company, and a resolution continuing the appointment will be submitted to you.

Following our usual custom, the General Manager will now address you after which I shall offer a motion for the adoption of the Directors' Report.

The GENERAL MANAGER, MR. GEORGE H. SMITH then addressed the meeting as follows:

A review of the business situation usually, and quite properly, begins with a consideration of the returns from the cultivation of the soil, and more particularly from the western grain crop. While the yield and value of the products of agriculture do not exercise the predominating influence upon business they did even a few years ago, they are yet a factor of extreme importance and no doubt will continue to be for many years.

In consequence of the much less than normal rainfall in the Autumn of 1928 and of comparatively little snow in the following Winter, the crop season of 1929 opened with much depleted reserves of moisture in the soil and as the growing season progressed, without adequate or normal summer rains, the situation became critical in many localities.

Though the total wheat crop was little more than one-half that of the previous year, and about two-thirds the annual average for the previous five years, it exceeded by one hundred million bushels the crop of 1919 and was considerably in excess of the yield obtained in any year prior thereto with the sole exception of 1915. For the great reduction in last year's total there was only partial compensation in the very high quality of the grain and in somewhat higher prices. The yield of oats and other coarse grains also fell off materially from 1928. The total value of the field crops of Canada in 1929 is estimated at $980,000,000 as compared with $1,125,000 in 1928, a reduction of about 12½ per cent.

The effect of a considerably reduced return for the labours of our agriculturists naturally was to somewhat slow up the activities of manufacturing industries, nearly all of which during the greater portion of 1929 had been operating to an unusually large percentage of capacity. This was somewhat accentuated by the withholding from the market of a large portion of the grain harvested, in consequence of which railway and other transportation revenues have suffered and numbers of those in the service of the transportation companies are temporarily unemployed.

That the collapse of stock market prices in the early part of November, bringing to an end an unparalleled period of feverish speculation and inflicting unprecedented losses, has produced some additional unemployment, and contributed somewhat to temporary disturbance of trade, must be admitted. One may venture to doubt, however, if its effect upon business has been as disastrous as is commonly supposed or that it will extend over any protracted period.

Greater Prosperity

Notwithstanding the present hesitancy and the abandonment of the spirit of optimism so general only a few months ago, 1929 was on the whole a year of even greater prosperity than any of the four exceedingly prosperous years which preceded it. Employment in our industries was in greater volume than in any other year on record, was greater each month than in the corresponding month of 1928, when industrial activity attained its previous maximum; and on 1st December, 1929, notwithstanding rather greater than normal seasonal reduction, was substantially higher than on 1st December, 1928, and practically on a par with the peak of 1928 registered in August of that year. On the first of January, 1930, the index stood higher than on the corresponding date of any previous year since the record was instituted in 1920.

While the condition of the money market throughout the year did not encourage expansion in building operations, the aggregate of building permits was slightly greater than in 1928, there having been notable increases in Halifax, Saint John, Montreal, Regina, Calgary, Edmonton and Victoria, and considerable decreases in Toronto, Oshawa, Ottawa and a few other Ontario cities. The contracts awarded for construction of all kinds were about twenty per cent greater than in 1928, the total being in excess of $575,000,000. Nearly all the Provinces shared in this increase.

Double U. S. Tonnage

The pulp and paper industry, notwithstanding the continuance of an unsatisfactory price situation for newsprint, its chief product, further increased its output and sales and gave employment to more men than ever before. The production of newsprint was 2,728,827 tons, an increase over 1928 of 14.6 per cent, and was about double the tonnage produced in the United States. In October the daily average production reached 10,000 tons for the first time. During the year the Canadian mills operated at 85,5 per cent of their rated capacity, compared with 82 per cent of the lesser capacity of 1928. In November, 1929, they were being operated at 91.2 per cent of capacity. Shipments for the year aggregated 2,722,381 tons and at the end of December stocks on hand were 24,966 tons, equivalent to less than 2½ days' production.

For the fourth year in succession the value of minerals produced in Canada exceeded all previous years and amounted to $303,876,000, an increase over 1928 of $28,887,000, or 10.5 per cent. There was a larger output of copper, nickel, gold, silver, zinc and asbestos, the higher prices for copper also contributing to the increased value and being partially offset by reduced prices for silver. Of great importance is the expeditious and businesslike manner in which further development is being proceeded with, especially in nickel and other base metals, as a result of which new mines are expected to reach production in 1930. New smelters and refineries are also contemplated, and the requirements of the mining industry for labour and supplies are certain to considerably increase.

Hydro-Electric Development

Hydro-electric development continues, 378,000 horsepower having been completed and brought into operation in 1929, bringing the total installation for the Dominion up to 5,727,600 horsepower. This development is certain to continue as but a small percentage of our available water power has as yet been harnessed, and undertakings are under active construction at present, and expected to be completed during the next three years, which will add 1,500,00 horsepower.

Canadian fisheries were reasonably prosperous, though some increase in the value of the Atlantic fisheries was probably more than offset by a reduced catch of salmon on the Pacific. In the lumber industry conditions were not favorable and the value of production was probably slightly less than in the previous year. There was also a slight falling off in dairy production, due chiefly to reduced exports of cheese and milk, the output of butter having shown a gratifying increase.

Production of pig iron in Canada reached a new high level of 1,090,244 long tons, having been not only five per cent greater than in 1928, but well in excess of the previous record year, 1918. Steel ingots and castings made an even more impressive showing, the output having been 1,379,668 tons, which surpassed by eleven per cent the previous record of 1,240,214 tons established in 1928.

A healthy increase in tonnage and sailings from Atlantic ports is contributing to the very noticeable improvement of trade in the Maritime Provinces, which appear to be rapidly becoming re-established. The tie-up of the grain crop has had a prejudicial effect upon the volume of shipping from Montreal and also from Pacific ports.

The total of Canada's trade was $89,000,000 less than in 1928, and for the first time in several years there was an adverse trade balance, amounting to $90,000,000. While imports increased by $76,000,000, there was a reduction of $166,000,000 in exports, more than fully accounted for by decreases of $193,000,000 in the value of grain and grain products exported.

There were also quite marked reductions in the exports of cattle, meats, dairy products, hides and leather, and wool. On the other hand, gratifying increases took place in exports of chemical products, fish, fruits, vegetables and canned goods, furs, minerals, farm implements, freight and passenger automobiles and paper.

What of the Future?

I have endeavored to present the information which should be most helpful in measuring the business situation as it was in 1929. Taking a backward glance one feels justified in stating that the years 1925 to 1929 were years of almost unbroken progress such as have seldom, if ever, been equalled in Canada, and which reached its peak in 1929. Those years are, however, now behind us, and our natural inquiry is what of the future. That the reduced yields and reduced sales of grain, and the heavy losses recently sustained by many individuals as a result of greatly over-extended speculation, have materially reduced immediate purchasing power, and, therefore, temporarily interrupted the advancement of our prosperity, must be recognized. There does not appear to be any justification for assuming that this interruption will be more than temporary.

When the huge volume of credit which was locked up in speculation has been fully deflated, and when the unmarketed wheat has been sold, the credit which will be thus released will almost certainly tend to produce much easier monetary conditions than have existed for more than a year. More funds will be available to provide for governmental and municipal expenditures, and for many forms of building and other construction by both individuals and corporations. The railways have announced largely increased capital expenditures in 1930. At least three provincial governments have programmes for road construction on an enlarged scale commencing this year. The development of our almost unlimited water powers and our huge mineral resources is continuing without abatement, but, on the contrary, with increased energy and with the assistance of greater capital and the most modern inventions and methods. What sound reason is there for discouragement? We have had disappointments in the past, but they have never permanently retarded our progress. It does not require the vision of a seer to predict even greater prosperity than any so far experienced.

Gratifying Increase

The Report and Statement we have had the pleasure to submit do not call for any extended comment. The past year was one which had its full share of problems for financial executives. The financial stringency which was already becoming acute in the latter part of 1928 continued and became intensified as the year progressed. The Federal Reserve Bank rate was increased to six per cent and the Bank of England rate to Six and One-half per cent. Common stocks became the only form of security in which the large majority of investors and speculators manifested any interest. Bonds sold down to prices which gave most attractive yields. In this highly competitive market we were able to show a moderate but, under the circumstances, a gratifying increase in our debentures payable in Canada. Our funds from Britain, however, have diminished to the extent of £125,000. As was the case with many of the Banks, there were unusually heavy withdrawals of deposits, the aggregate of which is slightly reduced. For the first time in several years there is, therefore, instead of a considerable increase in our Assets, a small decrease of about $500,000. It is our belief that the rapid progress which has been a marked feature of our reports for a number of years is only halted and that, with the anticipated relief from a condition of monetary stringency of more than usual duration, progress will shortly be renewed and we shall enter upon another period of expansion.

Substantial Growth

The Canada Permanent Trust Company continues to exhibit substantial growth. Assets under its administration increased last year by upwards of three million dollars and now amount to $22,095,045. Its unexcelled facilities and widespread organization are each year meeting with increased recognition and appreciation. As will be seen from our Statement, we continue to carry the stock of our Trust Company in our Assets at par, though its reserves give it a conservative value of 140.

No securities are carried in our books at more than present reduced market values, while in most cases the book values are considerably less than current market quotations.

Real Estate held for sale has been further reduced by about one-third, to $320,219, a sum less than one-half of one per cent of total Assets. We have now no real estate for sale in three of the Provinces in which we conduct our business, and in Manitoba where the greater portion of the remaining properties are located, we found an improvement in the demand for farm lands. Manitoba is rapidly becoming more industrialized and the value of its industrial production is now greater than that derived from agriculture.

I think it is unnecessary to weary you with a repetition of other facts I have presented from year to year as an indication of the ultra conservative methods adopted in valuing our Assets and in arriving at Net Profits which this year are again the largest in the history of the Corporation. All losses have been written off out of the earnings of the year and more than ample provision has been made for future losses, while all expenses and charges both in connection with moneys loaned and with the issuing and renewing of debentures have been charged against the gross profits of the year, as has always been our practice.

I should be remiss if I neglected to pay the usual tribute to the loyalty and zeal of those without whose faithful assistance the gratifying results of the year's business could not have been achieved. The officials of the Head Office, the Branch Managers and many of the other members of the staff at all the offices, are men who have had a wide experience acquired through long association with the Corporation, I believe our large staff of officials and clerks is as devoted to the interests of the Company they serve, and as proud of the foremost position it occupies among the financial institutions of the Country, as any similar body of men and women anywhere. I feel that you would desire me to express to them not only my own but also your sincere thanks.

For Seventy-five Years

We had hoped to meet you to-day in our handsome new premises. In this we have been disappointed. While the building is approaching completion, and the portion not intended for occupation by our two Companies is more than eighty per cent leased and occupied by tenants, it has required a longer period than was anticipated to complete our own offices. This may have a sentimental advantage as it will enable us to complete seventy-five years in which we shall have continuously transacted business on Toronto Street, where the modest office of the "Canada Permanent" was first opened, and seventy-two of which we have occupied this fine old building of dignified beauty.

While we look forward with expectancy to the increased comfort of our new quarters, to the greater and more ample facilities they will afford for enlarging both the quality and quantity of our service, and to the new associations they will give us the opportunity to form and cement, these anticipations will be tinged with much personal regret as we say "good-bye" to what has been "home" for so many years. For forty-eight years it has been to me the familiar scene of my daily avocation, a familiarity which has been far from breeding contempt but rather is filled with many happy memories. The voices of old companions who laboured with us in time gone by and now "from their labours rest" linger with us. May we venture to hope that those voices will accompany us to strange and unfamiliar surroundings? This is the forty-ninth Annual Meeting at which I have been present. Of those who were recorded as being at the first of these, on 8th February, 1882, I believe that only two others remain, Mr. W. G. Gooderham, who did not become officially connected with the Company till later, and Mr. Beverley Jones. At that Meeting the late Mr. Mason submitted a Statement showing the Assets to be $6,350,186. In the first statement to the shareholders in 1856 the Assets were reported as £17,199:12:4. Today the combined Assets of our two Companies are nearly ninety million dollars. No one can estimate the value of the service the Corporation has rendered to Canada in these seventy-five years, nor the important part it has played in the development of a young Country.

Steadily Goes Forward

During that long period the "Canada Permanent" has steadily forged ahead. At times it had to battle with the results of financial crises and business depressions, during which it required a strong arm and a steady will to make progress against strong currents, occasionally finding it necessary to permit the relentless current momentarily to have its will, in order to gain new strength to overcome it, but always at the end of the day it has been found to have gone forward.

It is fitting that on this last occasion in which as a body of Shareholders we shall gather in this familiar place we should give expression to our gratitude to our predecessors and to all those with whom we have been associated, for the wisdom shown in establishing the Corporation on a foundation so enduring, in guiding and expanding its operations, enlarging its field of service and jealously guarding its reputation, for their courage in meeting difficulties and overcoming them and for the loyalty and devotion which inspired their activities.

And now, on the eve of our departure, we may also mingle with the pride of past accomplishments and the regret with which we separate from old associations, a feeling of gratification that the centre of our future activities is a building recognized as one of the best, here or elsewhere, an enduring testimony to the ability of the Architect who created it and of the Contractors who erected it, and a fitting symbol of the integrity and solidity of our Corporation.

We have received from the past a legacy of worthy traditions, of useful and important service, well and faithfully performed, and of achievement and progress. In this important forward movement, we carry this legacy with us as an inspiration to lay hold of the new opportunities that lie before us. We shall be in every way adequately equipped to do so, and we therefore enter confidently into what we believe will prove a larger field of service to the public and of satisfaction to our Shareholders.

IN SECONDING THE MOTION TO ADOPT THE REPORT, THE FIRST VICE-PRESIDENT — MR. E. R. C. CLARKSON, SAID:

The Address to which we have just listened, following the Directors' Report and the President's timely remarks, is as usual full and complete. The tribute to those who preceded us and the appropriate observations with reference to our long occupancy of these now historic premises are preeminently fitting and I am sure the gentle, kindly and confident words spoken by the General Manager find instant acceptance by all of us.

Change is inherent in progress and as we realize that in our rapid expansion well worn ways have become inadequate, and seek for new, we are but answering the call of active minds ready to enter upon a greater field.

With the sign posts of progress smiling on us from so many angles, we are justified in joining Mr. Smith in his happy and spirited conclusion that we enter confidently into the realization of such reward as our industry and good judgment have the opportunity of securing in the larger field that is opening before us.

I have much pleasure in seconding the President's motion to adopt the Report of the Directors.

The motion was then put to the meeting, and was carried unanimously.

CANADA PERMANENT Mortgage Corporation

REPORT OF THE DIRECTORS

The Directors take pleasure in submitting to the Shareholders the Annual Statement of the affairs of the Corporation for the year 1929, accompanied by the Balance Sheet and Certificate of the Auditors.

The balance at the credit of Profit and Loss at the beginning of the year was	$ 98.919.69
The net profits for the year, after deducting interest on borrowed capital, expenses of management and all charges and losses, after paying all Taxes due and providing for all accrued Taxes and after making provision for possible losses and contingencies, were	1,058,271.79
Making available for distribution	$1,157,191.48
This sum has been appropriated as follows:	
Four quarterly dividends of Three per cent. each on the paid-up Capital Stock	$ 840,000.00
Balance carried forward at credit of Profit and Loss	317,191.48
	$1,157,191.48

All which is respectfully submitted.

W. G. GOODERHAM, *President.*

Toronto, January 15th, 1930.

FINANCIAL STATEMENT 31st DECEMBER, 1929

Assets

Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Halifax, Woodstock (Ontario), and Brantford (Ontario)		$ 3,919,509.16
Real Estate held for Sale		320,219.54
Mortgages on Real Estate:—Principal	$55,501,574.42	
Interest	853,411.54	
		56,354,985.96
Loans on Bonds, Stocks, etc.		149,833.21
Bonds of Dominion of Canada and Provinces of Canada		860,105.27
Bonds guaranteed by Dominion of Canada and Provinces of Canada		375,503.90
Bonds of Canadian Municipalities		370,808.00
Other Bonds and Debentures		1,151,724.25
Stocks—including $980,000 of The Canada Permanent Trust Company at par		1,491,512.70
Cash in Chartered Banks and on Hand		1,661,815.27
		$66,656,017.26

Liabilities

To the Public		
Debenture Stock and accrued Interest (£163,162 1s. 5d.)	$ 794,055.41	
Debentures—Sterling—and accrued Interest (£2,408,098 18s. 6d.)	11,719,414.77	
Debentures—Currency—and accrued Interest	24,488,236.54	
Deposits and accrued Interest	14,117,119.06	
Sundry Accounts	10,000.00	
		$51,128,825.78
To the Shareholders		
Capital Stock subscribed and fully paid	$ 7,000,000.00	
Reserve Fund	8,000,000.00	
Dividend payable 2nd January, 1930	210,000.00	
Balance carried forward at Credit of Profit and Loss	317,191.48	
		$15,527,191.48
		$66,656,017.26

We hereby certify that the foregoing statement is correct, to the best of our knowledge and belief, and shows truly and clearly the financial condition of the Corporation's affairs.

GEORGE H. SMITH, *Vice-President and General Manager.*

W. G. GOODERHAM, *President.*
E. R. C. CLARKSON, *Vice-President.* } Directors

Auditors' Report to the Shareholders

We have audited the books and accounts of the Canada Permanent Mortgage Corporation at Toronto for the year ending 31st December, 1929, and have been furnished with Branch balance sheets certified by your auditors for the Branches, and report that the above statement of Assets and Liabilities is in accordance therewith. The cash, bank balances and securities called for by the books in Toronto have been verified by us and at the Branches by your auditors for the Branches.

After due consideration, we have formed an independent opinion as to the position of the Corporation, and, on the basis of the opinion so formed and according to the best of our information and the explanations given us, we certify that the foregoing statement sets forth fairly and truly the state of the affairs of the Corporation. All transactions of the Corporation which have come within our notice have been within the powers of the Corporation.

HENRY BARBER, F.C.A., of the firm of Henry Barber, Mapp & Mapp
D. McK. McCLELLAND, F.C.A., of the firm of Price, Waterhouse & Co. } *Auditors*

Toronto, January 10th, 1930.

Directors and Officers

The following Directors were unanimously re-elected: W. G. Gooderham, E. R. C. Clarkson, Col. A. E. Gooderham, F. Gordon Osler, George W. Allan, K.C. of Winnipeg; Archibald B. Campbell, W.S., of Edinburgh; William Stone, George H. Smith, Norman Mackenzie, K.C., of Regina; and John A. Rowland, K.C.

At a subsequent meeting of the Board of Directors, Mr. W. G. Gooderham, was re-elected President, Mr. E. R. C. Clarkson, First Vice-President, and Mr. George H. Smith, Second Vice-President.

General Manager, George H. Smith, Secretary, Walter F. Watkins, Inspector of Branches, Robert Henderson, Manager, Ontario Branch, Charles S. Robertson.

Bonds Maturing in 1930 Will Total $135,344,955

Current Demand For Bonds Should Take Care of All Refunding. Total Government Loans May Equal Loans of Past Year

Refunding operations should bring considerable activity in this year in the case of Canadian government bonds, but the amount of corporation maturities, apart from the railways, is so small that few new issues will have to be made for this purpose.

A list herewith gives a total of $94,027,455 for government maturities in 1930. This list should be complete, being made up from the lists of outstanding loans as published by the provincial governments. The corporation maturities come to only $41,317,500, though there, no doubt, are others which cannot readily be traced from the available records. In the case of municipalities, for which no list is available, there are likely to be some refunding loans necessary.

Maturities in 1931 are also shown, the total for the governments being $87,337,600 and for the corporations the small amount of $11,091,000.

Government issues in 1929 totalled $118,960,500, municipals $114,603,700, railroads $198,000,000 and other corporations $217,491,600.

New Government Loans

It is possible, therefore, that new government loans in 1930 will be as great as they were in 1929. The Dominion government, of course, has been reducing its debt at the rate of about $75,000,000 a year, so that if the same margin of revenue over expenditure is retained through 1930 it should be able to provide for its maturities of $65,000,000, and the same may be true of 1931, when its maturities are just a few million more.

The provinces, on the other hand, have been increasing debt at the rate of about $30,000,000 a year. Though profits from liquor trading have helped their current position greatly, the provinces have made large capital expenditures on roads, public buildings, power development, etc., and there is no sign of this tendency stopping.

The provinces which will likely have to borrow most on account of refunding in 1930, are Alberta, Manitoba, New Brunswick, Nova Scotia, Ontario and Quebec. New Brunswick's recent issue of $3,358,000 may have covered its requirements. The 1931 maturities of the provinces are smaller, with Alberta, Manitoba and New Brunswick as the most important.

Outside of the railways, the largest corporation issue due in 1930 is that of Wayagamack Pulp & Paper Co., Ltd., which is now a subsidiary of Canada Power and Paper Corporation, so its maturity of $1,500,000 on January 1 may have been provided for in some other way. National Steel Car Company, Ltd., had a balance of a bond issue due on January 1, but this was retired last year by the sale of stock.

The small number of company maturities is explained by several facts. Corporation financing in Canada was so small before the war as compared to recent years that few issues of importance are outstanding from that time. In the few years just after the war, when investors in Victory bonds turned to corporate bonds, many new issues were placed, but most of them were either short loans which have already been refunded, or else twenty or thirty year bonds which will not be a market factor for a long time to come. Most important of all, however, is the fact that many corporations which saw a need for raising new capital in the near future, took advantage of the public favor for stocks in the past three years, and issued new stock, by which means a large number of bond issues were replaced.

BONDS MATURING IN 1930
Government Maturities

	1930		1931	
Dominion	Feb. 1	$20,000,000	Apr. 1	$25,000,000
	Dec. 1	45,000,000	Oct. 1	52,931,600
Alberta	May 1	1,000,000	May 1	1,000,000
	Aug. 16	2,000,000	Sept. 1	2,100,000
	Nov. 1	1,000,000	Only serials	
British Columbia	Only serials		Jan. 3	2,000,000
Manitoba	Feb. 2	2,498,000	May 15	2,079,000
	Apr. 1	10,000		
	Sept. 1	10,455		
	Oct. 1	349,000		
	Nov. 1	1,685,000		
New Brunswick	......	2,800,000	......	1,502,000
	......	75,000		
	......	148,500		
Nova Scotia	Nov. 15	2,000,000		
Ontario	Jan. 1	3,000,000		
	June 15	7,903,500		
	Oct. 31	2,000,000		
Prince Edward Is.	Dec. 1	48,000	Dec. 1	225,000
Quebec	June 1	2,500,000		
Saskatchewan	......	....	Dec. 1	500,000
Totals		$94,027,455		$87,337,600

Corporation Maturities, 1930

Canadian National Railways	Feb. 15	$18,000,000
Canadian National Railways	June 30	10,000,000
Duluth Superior Traction Co., td.	May 1	3,000,000
International Milling Co.	July 1	431,500
Minneapolis, St. Paul & Sault	Apr. 1	100,000
Minneapolis, St. Paul & Sault	June 1	500,000
Wisconsin Central Railway	Jan. 1	7,500,000
Robin, Jones & Whitman, Ltd.	Mar. 1	173,000
Standard Chemical Co., Ltd.	Aug. 1	13,000
Wayagamack Pulp & Paper Co., Ltd.	Jan. 1	1,500,000
Total		$41,317,500

Corporation Maturities, 1931

Minneapolis, St. Paul & Sault	Jan. 1	$ 371,000
Minneapolis, St. Paul & Sault	Sept. 2	10,000,000
Trinidad Electric Company	June 2	720,000
Total		$11,091,000

Feldspar Glass to Take Name of National Glass

Company Will Reorganize Capital Structure to Secure Additional Working Capital—Plant Now Turning Out Bottles at Rate Twenty Per Minute

The reorganization of capital structure of Feldspar Glass, Ltd., whose plant at Oshawa Ont., has just been placed in operation, is to take place almost immediately, the shareholders already having given their consent to the plan formulated by the directorate. Simultaneously the name of the organization will be changed to that of the National Glass Company.

Feldspar Glass, which was formed about five years ago to develop a new process of glass making, has a total capitalization of $1,000,000, divided into 100,000 shares of 8 per cent preferred stock and 900,000 shares of common stock, both of them of $1 par value. All of this stock is held by somewhat over 800 shareholders in various parts of the Dominion, but chiefly in the province of Ontario. The head office of the company is in the Royal Bank Building, Toronto, and W. J. McCallum is the president.

It is proposed that the National Glass Company shall have a total capitalization of 3,000,000 no par value shares, of which 2,000,000 shall be Class "A" and 1,000,000 Class "B." The class "A" shares will be preferred as to dividends to the extent of 20 cents per annum, payable quarterly, and will have one vote for each 10 of class "B." After the class "B" shares have obtained a dividend of 20 cents per annum, both classes of stock will share equally in any further division of profits. In making the exchange proposed one share of class "A" stock will be given for every share held in the existing company, plus a bonus of 10 per cent in stock. Fractional shares are to be adjusted at the rate of $2 per share. Stock dividends are cumulative on the old stock at the rate of 8 per cent from January 1, 1927.

First Unit Installed

It is claimed that Feldspar Glass represents a new departure in the making of glass and those behind the enterprise look to see it have a revolutionary effect upon the industry as a whole.

While the company has no intention of attempting to undersell any of its competitors presently in the field, the management does contend that the glass products to be produced by the new process can be more economically manufactured than is now the case and will be more durable in their quality. The first unit is capable of supplying molten glass to three machines simultaneously. Only the initial section of this unit is at present in commission, and thus far the single machine has exceeded the expectations of the management in point of production.

Twenty bottles are being produced each minute, whereas the previous record was only 17; it is hoped that when the machine has been properly tuned up from 23 to 24 bottles may be turned out each minute. The feeding portion of the first machine was brought from London, Eng., and is, of English manufacture; the bottling portion, which actually shapes the bottle, was brought from Anderson, Ind.

Installing More Machinery

A second machine is now on the ground and will be brought into use, it is stated, early in the current month. Another is reported to be on order and will be delivered in a couple of months time. When these two additional sections are in operation, the first unit of the plant will be complete. It is then expected that between 80,000 and 100,000 bottles will be turned out each day, which will consume about 40 or 50 tons of glass. Even at the moment about 25,000 bottles are being turned out each day, involving the use of about 13 tons of glass.

Later it is the intention of the management to diversify its product by making ordinary glass for windows, plate glass for store fronts, shades for electric lamps, unbreakable pottery and tableware for restaurants. Indeed, it is asserted, the uses to which glass made from this new process may be put is only circumscribed by the requirements of the glass trade. With three units in operation, which should come within the next two years, it is hoped to manufacture glass in at least three colors, green, amber and crystal, and these all at the one time.

Feldspar, the basic material for the process, is obtained from the company's own deposit near Perth in Lanark County, which is held to be extensive enough to meet all possible needs for the next 100 years.

MELCHERS PROFITS LEAVE FAIR MARGIN ON JUNIOR STOCK

Report Shows $3.76 a Share Earned on "B" Stock

From Our Own Correspondent

MONTREAL. — Net profits of Melchers Distilleries, Limited, for a 14 months period ended December 31, 1929, amounted to $388,258, before providing for Federal income tax. After payment of dividends on the "A" shares there remained a sum equivalent to $3.76 a share on the class "B" stock of which there are 50,000 shares outstanding. A dividend of $1 a share will be paid on the "B" shares on a date to be announced shortly.

It is interesting to note that after $2 has been paid on the class "A" stock and $44 has been paid on the "B" shares in any fiscal year, both classes share equally in any further dividends in that year.

The balance sheet reveals a strong working capital position with current assets amounting to $1,675,962 and current liabilities of $292,614 leaving a net working capital of $1,383,348.

First Report Issued

On the credit side, cash totals $46,903, accounts receivable $147,711 while inventories total $1,481,347. Fixed assets, less reserve for depreciation, for which $49,979 was written off in the past year, are valued at $1,524,275 while trademarks, goodwill, etc., are carried at $1,555.200.

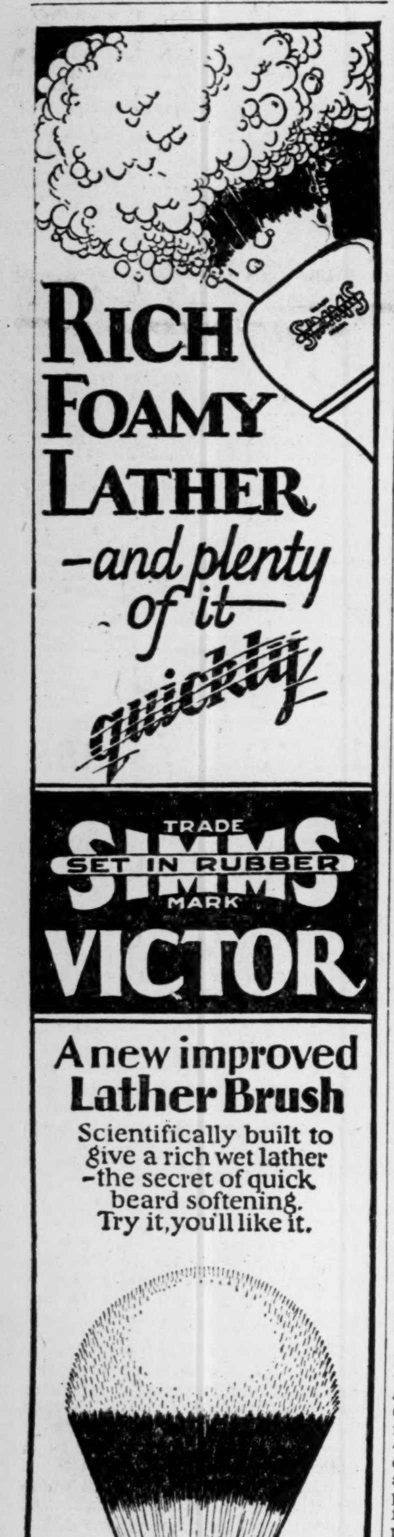
In liabilities, bank loans stand at $200,000 and accounts payable at $42,614, while dividends to be paid on the B stock total $50,000.

This is the first report to be issued by Melchers Distilleries since its incorporation in 1928 and indicates satisfactory progress. Following is profit and loss account covering operations from November 1, 1928, to December 31, 1929.

	1929
Net earnings	$390,100
Add: Misc. income	7,125
	$397,225
Less: Proportion incorp. chgs.	8,967
Net profit	$388,258
Less: Dividends—	
Class A shares	200,000
Class B shares	50,000
Balance forward	$138,258

Will Develop Dead Sea

An Anglo-American company has been formed for the purpose of exploiting the concession granted by the government of Palestine and Trans-Jordan for the development of the natural resources of the Dead Sea, potash salts being an important constituent.



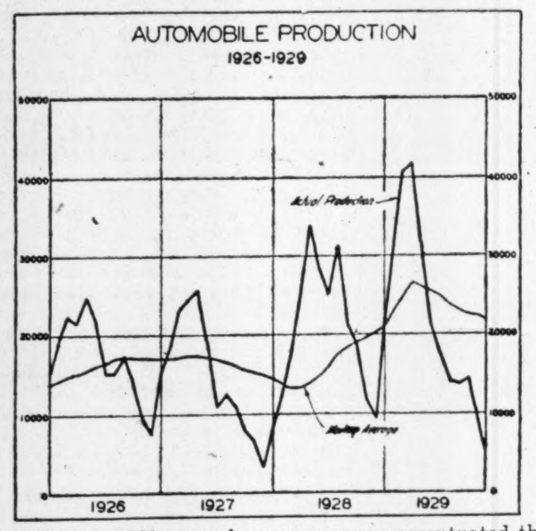
News of Automobile Industry

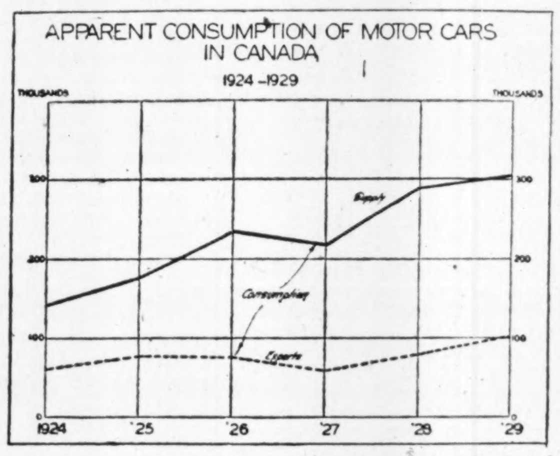
No Increase in Output of Autos Seen in 1930

Outlook is Rather For Decline in Production—Yearly Sales in Canada Are Larger

By E. L. SMITH

Production of automobiles in Canada ranks as the fourth most important industry in the Dominion, the sales value of its output being only exceeded by that of the pulp and paper industry, the flour and grist mill industry and the slaughtering and meat packing industry. Born of American parents about 1904, it soon gave evidence of being a healthy child and has now attained such growth that its output doubled during the past five years the new Ford, Model A, which was already in production. By March a new monthly record was attained but the deflation in stock market prices caused a falling off in sales. However, the high rate of production for which material was ordered in advance, could not be checked immediately and output in April surpassed that of March to reach a new peak which still stands high at 41,900 cars. Production then sloped off to 14,000 cars in August and remained around this level until the stock market crash early in November accentuated the seasonal dullness to such an extent that the year closed at the low point of 5,495 cars in December.





and during 1929 enough cars were made to register an income of almost 100 per cent over the aggregrate output during the first half of the industry's life. The demand for automobiles has developed to such an extent that whereas 135,000 cars met all demands for Canadian made models during the thirteen year period 1904-1916, and 132,580 cars were sufficient in 1924, the year just closed saw production reach a maximum of 263,295 cars.

Production of Automobiles in Canada, 1904-16

Year	Number
1904-1916	135,000
1917	93,810
1918	82,408
1919	87,835
1920	94,144
1921	66,246
1922	101,007
1923	147,202
1924	132,580
1925	161,970
1926	204,727
1927	179,054
1928	242,054
1929	263,295

In January 1929 production started at a higher rate than in other years. Primarily this was because of conditions which were generally favorable to the industry and secondly to the fact that producers of light cars, which constitute over 70 per cent of the motor sales in Canada, were compelled to bring out their new models earlier than was their custom in order to keep pace with

Is Large Employer

As an employer the automobile industry is second to none in contributing to the industrial pay roll in proportion to the number of workers, but as the bulk of the Canadian sales are made during the first half of each year, there is a great difference between the maximum and the minimum number of people employed. Employment in general follows production and the accompanying chart shows the moving average monthly production for each twelve month period against the actual monthly production. The moving average monthly output in 1929 shows a maximum variation of only 5,000 cars while the actual figures show a difference of 36,000 cars between the months of highest and lowest production.

The establishing of strategically located assembly plants in the west and a reduction in the price of some models resulted in good buying and it is not unlikely that these factors had an important bearing on limiting the number of imported cars which showed a decline for the first time in five years. Exports of cars from Canada in 1929 were 29 per cent greater in number than in the previous year which in turn was 33 per cent over 1927.

Imports of Automobiles Into Canada and Exports From Canada, 1925-1929

Year	Imports	Exports
1925	14,632	74,377
1926	28,544	74,694
1927	36,630	57,852
1928	47,408	79,855
1929	44,724	102,302

There were enough motor vehicles registered in Canada, during 1929, which if placed end to end would form a line over 3,000 miles long. If these cars could be placed in line on the main route of the C.P.R. tracks they would extend across Canada from Halifax, N.S., to Vancouver, B.C. By the end of 1930 this line of cars will be over 4,000 miles in length.

Production gains in the automobile industry in Canada during the past several years have not been the result of any mushroom growth but nevertheless one wonders when supply may be expected to catch up with demand. Automobiles, from a sales point of view, might be classed with vacuum cleaners and electric washing machines and the market for this class of goods is said to be closed when consumers have satisfied their needs and further demand is limited to the replacement of old models and worn out machines. In 1929 there will be a total of 90,000 cars scrapped in Canada and this together with an export trade of 125,000 cars makes a possible market for 215,000 cars. As imports will account for around 40,000 cars it follows that new owners must be found for about 90,000 cars if production in 1930 is to equal that of the previous year.

See No Drastic Decline

The market for new cars in Canada is only limited to the purchasing power of the people which is dependent on the prosperity of the automobile industry and other industries to give steady employment so that there may be good earning power in all walks of life. Money should be somewhat easier in Canada during 1930 in view of the speculative funds released by the drastic decline in the stock markets and the anticipated speeding up in the marketing of wheat. Large orders have already been placed for railway rolling stock and equipment and huge developments are under way in the line of mining and power enterprises. It is not anticipated that the output of motor cars in 1930 will exceed that of the previous year but no drastic decline is likely.

AUTO REGISTRATIONS SHOW GOOD INCREASE

Commercial Vehicles in Dominion Have Largest Gain

Statistics covering the registration of motor vehicles in the provinces of Canada are not yet complete, so that it is impossible to give figures for the whole of Canada. Those provinces which have reported to The Financial Post show a healthy increase in 1929 registrations over the 1928 totals, as a glance at the appended figures will show.

Ontario registrations totalled 540,207 in 1929 compared with 488,049 the year previous, this being a unit increase of 52,158, or 10.70 per cent. Passenger car registrations were 473,222 last year as against 429,426 in 1928, an increase of 43,796, or 10.20 per cent.; commercial motor vehicles registered totalled 63,444, or 8,018 more than in 1928, an increase of 11.45 per cent; and motorcycle registrations were 3,541 as compared with 3,197 the previous year, an increase of 344, or 10.76 per cent.

The Province of Saskatchewan reports a total of 128,099 registrations, an increase of 8,475 over 1928, or 7.08 per cent. The 1929 figures, broken down into passenger and commercial cars, compare as follows with 1928: Passenger, 108,630 as against 102,802, an increase of 5,828, or 5.67 per cent; and commercial, 19,469 as against 16,822, an increase of 2,467, or 15.74 per cent.

The steady growth of motor vehicle ownership continues to be reflected in the Alberta figures for 1929, when 98,720 motor vehicles were registered as compared with 88,398 in 1928, a gain of 10,322, or 11.68 per cent. Passenger car registrations totalled 85,087 as against 78,302 the year previous, a unit increase of 6,785, or 8.66 per cent; motor trucks, buses and taxicabs registrations totalled 13,243, or 3,493 more than 1928, an increase of 35.85 per cent; and motorcycles jumped to 390 from 346, a gain of 44, or 12.71 per cent.

Canada's smallest province, Prince Edward Island, also shows a good gain with a total of 6,055 registrations as against 5,404 in 1928, an increase of 651, or 12.05 per cent. Passenger car registrations were 5,492 as against 4,952, an increase of 540, or 10.90 per cent; commercial licenses were 552 as against 444, a gain of 108, or 24.32 per cent; and motorcycles increased from 8 to 11, an increase of 37.50 per cent.

There is no doubt but that the other provinces will register similar gains, and a conservative estimate for the entire Dominion, based on the 1928 total of 1,185,000 plus a 10 per cent increase, would be 1,178,000 registrations. As was the case last year, the commercial motor vehicles continue to show the greatest percentage gains, indicating that transportation by motor truck and bus is growing steadily.

MARMON PRODUCES NEW EIGHT MODELS

New Roosevelt Eight Has Many Changes in Design

The end of January marked the introduction by Marmon of the Marmon Roosevelt straight eight. This gives Marmon four entirely new eights for the 1930 season. In addition to the Roosevelt there are the Marmon Eight-69 and Eight-79, recently announced, and the Marmon Big Eight brought out late last fall.

The new Marmon Roosevelt is claimed to be roomier, more powerful and improved in appearance over its predecessor. The straight eight motor develops 77 horsepower, an increase of seven horsepower over the former model brought about by a number of engine and manifold refinements. The engine has a bore of 2¾ in. and a stroke of 4¼ in.

Chassis design refinements, particularly in regard to the front axle and spring system, bring the car one inch lower, and this, coupled with larger tire sizes, a more massive front and redesigned fenders, has enabled the manufacturers to produce a car of more beautiful and sturdy appearance.

The louvre design has been changed so that horizontal vents are arranged in two panel sections on each side of the hood. Bumpers bear the Marmon lightning flash emblem on the centre bracket, and a flash is incorporated also on the radiator.

Among the principal improvements made on the Marmon Roosevelt are the interior refinements which, besides being better in appearance, furnish easier and more comfortable riding for driver and passengers. Roominess also is one of the outstanding characteristics of the interiors. Arm rests in the rear have been hollowed out for the greater comfort of passengers and to provide ample room for three occupants. Seat upholstery, which is smooth without piping, harmonizes with the ouside appearance of the car. The dashboard and all garnish mouldings around windows are of walnut finish. Toggle grips are provided in the rear compartments.

All body styles come in new colors with special emphasis placed on striping to accentuate the sweeping and modern lines of the car. There are still four body styles, the five-passenger sedan, two-passenger coupé with rumble seat, four-passenger Victoria coupé and convertible coupé with rumble seat. De luxe equipment is available at moderate additional cost.

Diversion Treaty Held Up

From Our Own Correspondent

WASHINGTON.—It has been predicted here that Congress will delay ratification of the convention with Canada for diversion to power uses of water of the Niagara River until the whole waterways question has been settled. Parliament has already ratified the convention. Power plants along the border have been complaining of a shortage of water.

Will Increase Capital Dom. of Can. Gen. Ins.

An increase in capital was forecast for Dominion of Canada General Insurance Company at the annual meeting of the company held recently. Col. A. E. Gooderham, president of the company stated that because of the company's increasing business the directors had decided to increase the capital by offering to the policyholders and the general public a block of non-voting shares of $10 par value. It was stated that the offering would be made during the current year.

Assets of the company were reported at $3,647,775 and reserves at $1,638,724. Surplus security to policyholders is $1,847,901. Total income for the year was $2,689,216. In addition to operating branches in all provinces of the Dominion, the company has a branch in Great Britain and one in the West Indies.

The following directors were reelected for the year 1930: Col. A. E. Gooderham, LL.D., president; C. A. Withers, vice-president and managing director; Geo. H. Gooderham, D. G. Ross, G. E. Gooderham, Col. G. G. Blackstock, A. E. Gooderham, Jr., H. W. Falconer, assistant managing director.

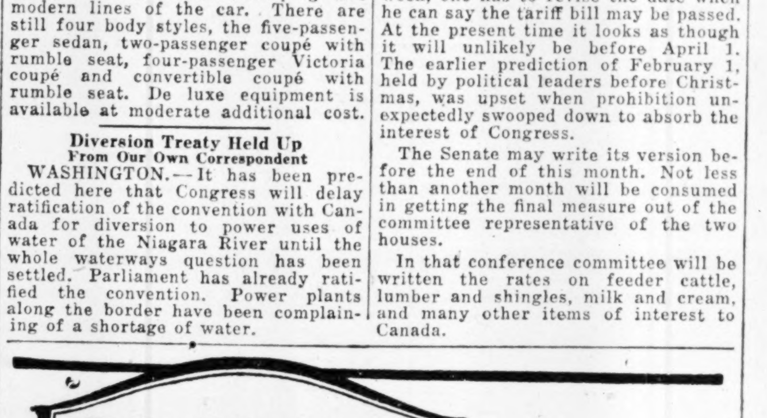
Pass U.S. Tariff Bill Not Earlier Than April 1

From Our Own Correspondent

WASHINGTON. — Each succeeding week, one has to revise the date when he can say the tariff bill may be passed. At the present time it looks as though it will unlikely be before April 1. The earlier prediction of February 1, held by political leaders before Christmas, was upset when prohibition unexpectedly swooped down to absorb the interest of Congress.

The Senate may write its version before the end of this month. Not less than another month will be consumed in getting the final measure out of the committee representative of the two houses.

In that conference committee will be written the rates on feeder cattle, lumber and shingles, milk and cream, and many other items of interest to Canada.



MOIRS EARNINGS SHOW GOOD GAIN; PLANS EXPANSION

Par Value of Common Shares Changed to No Par

From Our Own Correspondent

MONTREAL.—While the annual report of Moirs, for 1929, reveals an increase in profits and an improved balance sheet position, it is also announced that plans are in preparation which will expand plant activities. A new building for the service department, a modern bread and cake bakery and a substantial increase in mill room facilities for grinding chocolate, are included in the construction programme.

Profits after all expenses, federal and general taxes and provision for bad debts, amounted to $273,958 as opposed to $244,196 in 1928, or the equivalent after bond interest and depreciation of $4.25 a share on the common stock, as compared with $3.01 a share in the previous year. The par value of the common was changed from $100 to no par at a special meeting of shareholders held November 28, 1929, and the number of shares issued was increased to 15,133 as against 15,000 shares in 1928.

Interest Charges Lower

Bond interest charges were reduced slightly through the operation of a sinking fund, while depreciation charges exceeded those of 1928 by $12,302.

Among assets, accounts receivable less reserve at $618,095 are lower by $13,000, inventories are higher by $112,000 at $819,754, while investments have been increased to $43,496 from $37,932. Fixed assets are carried at $2,617,153 an increase of $104,000.

In liabilities, bank advances now stand at $358,318 compared with $331,270, accounts payable are lower at $47,243, while reserve for depreciation and contingencies totals $569,088 an increase of $97,000. Working capital is higher at $957,651 with a ratio of current assets to current liabilities of nearly 3 to 1.

President is Optimistic

In his remarks to shareholders, O. E. Smith, president of the company, pointed out that inventories had been taken on a most conservative basis and all outstanding liabilities had been provided for. He outlined the programme of development which is being undertaken "to provide for the future increase in business which your directors confidently expect."

Following is a comparison of profits and loss accounts for the past three years:

	1929 $	1928 $	1927 $
Net earnings	273,958	244,196	227,374
Less:			
Bond interest	86,060	87,750	65,000
Depreciation	123,575	111,273	110,975
Net profit	64,323	45,173	51,398
Add prev. surp.	156,749	111,576	60,179
Balance forward	221,072	156,749	111,576

Asbestos Making Good As Low Cost Producer

From Our Own Correspondent

MONTREAL.—The future of Asbestos Corporation seems more clearly marked out as a result of changes and economies put into effect by the new managerial interests.

Apparently the company's plants are now in good working shape and are operating satisfactorily on an economical basis. There is no danger of the company passing interest on its funded debt, it was learned.

The problem that obviously faces the company, and which will undoubtedly be placed before the shareholders at the company's annual meeting early in March, is just what sort of reorganization will be necessary to adapt the company's capital structure to meet present conditions.

Low-grade Proposition

As things stand now, the company is in excellent position—physically—to operate as a low cost asbestos producer. There is always the chance that the company may strike high grade ore, just as in any mining proposition, but in order to put the company on a business-like basis, this possibility must be disregarded and the company's fixed charges and so forth, adjusted to suit fairly definable earning power as a low-grade producer.

It is also understood that the new managing interests under Lt.-Col. R. F. Massie, the new president and general manager, have made good progress in bringing about a rehabilitation of the company's properties on an economic production basis. It will be remembered that last year various unfortunate things happened to the company's properties, such as the landslide at the King Mine, and the collapse of the tunnel connecting the Beaver Mill to the mine. These physical handicaps have now been removed, with the result that the properties, from the physical point of view are now in sound operating shape.

Statement Coming Soon

It is anticipated that Col. Massie, in his annual report, which is due March 1, or else at the company's annual meeting which is held usually in April at the call of directors, will lay before shareholders the complete story of the company's position and prospects. Also, in all probability, definite suggestions will at that time, be laid before shareholders concerning a capital reorganization of the company, which would seem necessary if the company is to wipe off past indebtedness and start with a clean financial bill of health.

Central Vermont Railway Officially Ends Receivership

From Our Own Correspondent

MONTREAL. — Control of the Central Vermont Railway properties in Quebec, Vermont, Massachusetts and Connecticut has passed to the newly organized Central Vermont Railway, Incorporated.

The Ceneral Vermont has been in receivership since December 12, 1927, with Mr. Gaston and Judge J. W. Redmond as receivers. Receivership followed terrific damage to the line in Vermont from floods in 1927. The new company was made possible through special legislation enacted at the last session of the Vermont Legislature, which allowed the Canadian National Railways to own all of the stocks and bonds of the Central Vermont Railway, Incorporated.

The Central Vermont Railway extends from St. Johns, Que., through Vermont and Massachusetts to New London, Conn.

Your Cash Register . . . shows the results

FIELD'S Apparel Shop for Women

TO INCREASE sales at once and permanently, use that greatest attractor of the street throng's attention —an electric sign. If that sign be a Flexlume it will compel the widest public notice of *who* and *where* you are and *what* you sell, both day and night.

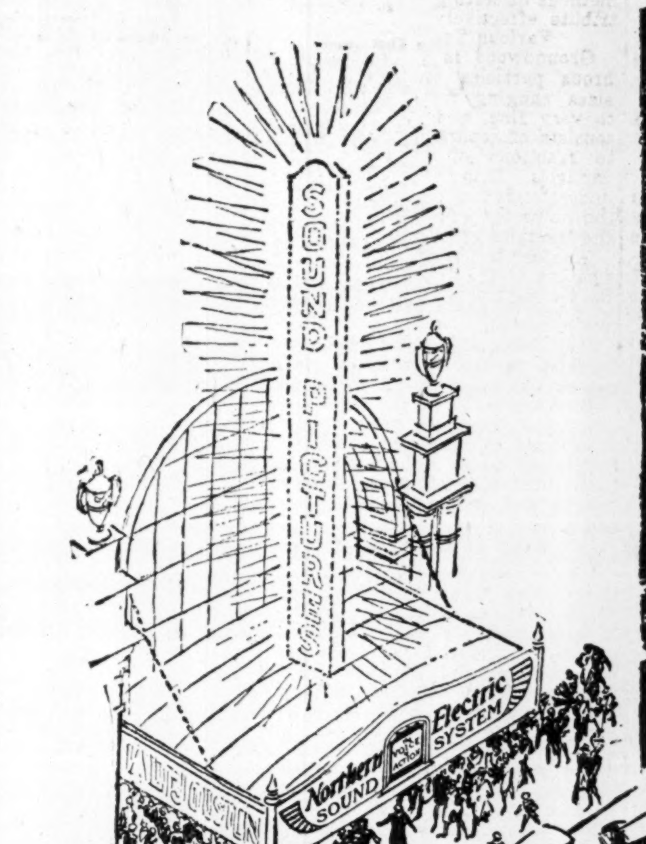
Flexlume's experience and facilities are to your advantage. Operating the largest plant in the world devoted exclusively to electrical advertising, Flexlume can give you more in striking design and lasting construction. Nation-wide organization and million-dollar financial responsibility assure maximum of service and dependability.

Allow our trained representative in your city to talk over your electric sign needs; also to submit, without obligation, color sketch of an attractive display for your establishment. FLEXLUME SIGN CO., LTD., 1074-M Queen St. E., Toronto 8, Ont. or Western Branch, Portage Avenue at Kennedy St., Winnipeg, Man.

Sales and Service Offices in Chief Cities of Canada and U.S.

NEON TUBE . . . RAISED GLASS LETTER . . . EXPOSED LAMP . . . OR COMBINATIONS

RECREATION



THE talking motion picture is really the child of the telephone! The efforts to perfect telephone communication naturally led to the study of reproduction and amplification of the human voice, and it is a result of the success of these efforts that the synchronization of sound and picture has become a reality.

So, today, in addition to its activities in connection with radio broadcasting and public address systems, the Northern Electric Company is enabled to contribute still further to the *recreation* and enjoyment of the Canadian public. This Company installs and services the talking picture apparatus . . . known as the Northern Electric Sound System . . . which so rapidly is being adopted by theatres across Canada; nearly 200 already having been installed in theatres from Halifax to Vancouver.

INFORMATION

The Northern Electric Company manufactures the telephone and its accessories, wires and cables for the transmission of power, and electrical equipment for industrial purposes; and also distributes many electrical appliances indispensable to modern housekeeping.

Northern Electric COMPANY LIMITED
A National Electrical Service

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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PULP AND PAPER INDUSTRY LOOKS AHEAD WITH CONFIDENCE

Paper Making is Art of Centuries But Modern Newsprint Yet Made Largely by Thumb Rule Method

Putting of Industry on a Scientific Basis from Tree to Printing Press is Needed in Order to Progress—Field of the Unknown Has Great Dimensions

NEWSPRINT IS STILL MADE "ANY OLD WAY"

Scientific Approach to the Manufacture of Newsprint Would Bring About Many Benefits—Recent Less Profitable Times for Newsprint Force Demands for Economies That Might Have Long Been Delayed

An Address by ROYAL S. KELLOGG, Secretary, Newsprint Service Bureau, delivered before the annual meeting of the Technical Section, Canadian Pulp and Paper Association.

Research has been defined by the president of a great university as "The probing by experts in the great field of the unknown."

The technical organizations of the pulp and paper industry stand primarily for research in the entire field of paper making and related problems. It is proper, therefore, that occasionally they should attempt some survey of these fields in the endeavor to chart the lines of most profitable investigation. The field of the unknown in pulp and paper has great dimensions,

Art or Science?

For 1,800 years paper making has been an art, and newsprint paper, at least, is still largely made by rule of thumb. We get certain results, but why this is so we don't know. If the industry is to progress, it must be put upon a scientific basis from tree to printing press.

The fact that a certain thing has been done in the same way for 100 years by no means denotes that this is either the only or the best way to do it. It may be only an evidence of laziness or ignorance.

Observation of practically all North American mills convinces me that much newsprint is still made in "any old way." It is not necessary to give detailed examples in support of this statement. Just note the number and kinds of grinders; the diversity of cooking methods; the different kinds of machines and processes, to say nothing of auxiliary equipment, either present or lacking, and, above all, the absence of fundamental data upon the intrinsic qualities of the raw materials, and you have all the proof needed.

Iron has been used by the human race for unnumbered centuries, and its properties are supposed to be well known. Its manufacture is under the technical control of chemists, yet a special committee has recently been formed, backed by $150,000, for five years of basic research upon pure iron and its combination with other substances. It will not even attempt to discover or devise commercial alloys, which is held to be the business of the laboratories of the iron and steel industries.

If such an undertaking is deemed vital to the progress of the American iron and steel industry, how much more vital to the paper industry is research into its own relatively new and less understood raw material, which is wood?

Proportionate Costs

In an average operation the cost of a ton of newsprint, excluding administrative, selling and fixed charges, is made up about as follows:

	Per Cent
Wood (prepared)	45
Steam and Power	22
Labor	13
Repairs	7
Finishing and Shipping ..	6
Wires and Clothing	4
Sulphur	2
Stones	¾
Alum, Color, etc.	¾
Limestone	½

It is a reasonable assumption that there is the greatest opportunity for scientific control and economies in the items which enter most largely into our cost sheet. Strenuous efforts in some cases may have reduced the cost of lubricants 5 cents per ton of product. The same proportionate effort applied to wood, steam, power, and labor, may possibly save as many dollars per ton in total.

It is still a good rule not to devote all one's energy to stopping a trickle at the spigot, while a stream continues to gush forth at the bunghole.

While not neglecting the small items, let us take a look at the big ones.

Wood Basic Material

First comes wood, the basic and universal raw material for newsprint—so new that little is really yet known about it—and so relatively cheap and abundant that few serious efforts have been made to use it intelligently and economically.

Wood may come to the plant by rail or water; rough or barked, in short or long length—or in any combination of these six factors. But, holding strictly to our text, we will start with it at the mill, leaving to others the task of improving wood operations. In passing, however, I would like to note that the management of one large mill has recently decided that all its wood, by ship and rail, stream-driven and lake-towed, shall hereafter start its journey millward in four-foot lengths. From the pond, this same wood finds itself carried right up on the ascending chain by a current induced by a three-foot boat propeller, revolving beneath the foot of the jack ladder.

The engineer who thought of this simple expedient, and thus dispensed with several men on the booms, is known to many of you.

Primary Costs Viewed

Once at the mill wood usually must be slashed, barked, piled outside from a few to many months, and then rehandled before it reaches the grinders or chippers. This series of operations alone may easily cost $2 per ton of paper, without counting interest on the investment in a wood-pile that may exceed a million dollars.

Pulpwood is a perishable raw material. It darkens with age, and is fed upon by insects and fungi. The actual loss in paper-making fibre runs into large figures where wood is carried too long before using, or where care has not been exercised in selecting and preparing storage grounds. Experience teaches that there is less loss if wood is barked before piling, and yet, even today, rough wood is going into storage to be hauled back at some later time for barking. Even a one per cent loss in a typical wood-pile may amount to $10,000, or 16 cents per ton on the paper that it would have made.

For the sake of brevity, we will assume that our equipment of slashers, barking drums, conveyors and stackers is of the best mechanical design and of most economical power requirement, although I am aware that this is a rather extravagant assumption. Still, there is much opportunity for labor saving in layout and operation. Who hasn't walked through numerous woodrooms and noticed place after place where with a little change in plan, or with slight additional equipment, the number of men could be reduced?

Compare Woodroom Data

I happen to have some comparable woodroom data. In their barking operations two mills handle approximately the same quantity of wood. One uses 2.9 men per 8-hour shift for each 100 cords of wood barked and the other uses 9.6 men for the same result or 3.3 times the number of men in the other mill. Two mills slash approximately the same quantity of wood in 8 hours. One uses 3.2 men and the other 8.1 men for 8 hours for each 100 cords slashed; that is, one mill uses 2½ times the number of men there are in another mill to do the same amount of work. All handle the wood in the water to the jack ladder. What would some of the engineer members of this section do with a situation of this kind?

And then there is bark. Shall we run it into a river until prohibited by the authorities, clog up a bay until we have to dredge it out, make an unsubstantial fill with it, or utilize its very considerable fuel value? Only in exceptional circumstances is the waste of bark now justified. Bark runs 10 to 12 per cent of the rough volume of the wood, with a fuel value of about 8,000 B.t.u. per lb. bone dry. At 50 per cent dry which is commercially practicable, the fuel value is about 3,000 B.t.u. per lb. We know enough about the construction and operation of wet and dry drums, of bark presses, of drying towers, and of furnaces for wood fuel so that there are now no insurmountable problems in profitably using bark instead of throwing it away.

But we must hasten on. Starting from the block pile back into the mill, our wood stream divides into groundwood and sulphite plants. Now our troubles and uncertainties really begin.

Accurate Data Lacking

First off, let me say that most mills have no data of any scientific value upon the amount of wood they use to make a ton of any kind of pulp. Going outside the newsprint field, for example, I recently learned of a prominent mill whose figures of pulp yields are more than twenty years old. In newsprint I know of only one company which is now building up records for an adequate determination of the exact quantity of wood fibre that goes into a unit of groundwood and of sulphite and thence into paper.

Perhaps I am simple-minded, but I am unable to understand how the efficiency of any operation can be figured with any degree of accuracy so long as its raw material is taken in by volume and its finished product goes out by weight.

The weighing and moisture sampling of wood and chips will, I am sure, soon be standard practice, accepted by mill managers, instead of being scorned as the theory of an impractical college graduate.

Groundwood Pulp Analyzed

But what is groundwood? No one knows, or we should not have such a diversity of grinders, pulp yields and qualities—all contributing to one supposed standard product.

Due to the way in which it is made and the equipment used, groundwood contains fibres and fragments of fibres of every possible size and proportion. It was nearly 100 years ago that the discovery was made that a paper-making material could be produced by holding a block of wood against a grindstone and keeping it from being burned up by the heat of friction through the use of a stream of water—and we don't know a great deal more today. We do have some data upon power requirements, and we are supposed to know about how fast the grindstone should turn and about how much pressure should be behind the wood. The whole operating force in a groundwood mill is little above common labor, however, and even the man in charge may have

(Continued on page 19)

MECHANICAL PULP RESEARCH WORKER NAMED BY BUREAU

Move to Improve Methods of Measuring Quality of Groundwood

Arrangements have been completed by which an investigation is to be made jointly by the Forest Products Laboratories of the United States and Canada on improved methods of measuring the quality of groundwood pulp. The project is being financed as a Fellowship by newsprint manufacturers of North America through the News Print Service Bureau.

Lynn A. Carpenter has been appointed Fellow at the Forest Products Laboratory at Madison, Wis., effective January 1, 1930.

Present Methods Inadequate

It is generally recognized that present methods of evaluating the quality of groundwood are far from adequate. During the past 15 years the freeness test has found extensive application in the industry and has rendered excellent service, especially in facilitating a reduction in the power required for grinding a ton of pulp together with a marked improvement in the degree of uniformity of the stock and its behaviour on the paper machine wire. Freeness tests, however, yield very little knowledge of the true quality of the pulp in its relation to those characteristics of the sheet of paper which are essential to the highest use value of that paper.

Every newsprint manufacturer will concede without argument the great value there would be for him in a detailed knowledge of those qualities of his groundwood which are essential to the production of a sheet of newsprint of desired properties. Along with that knowledge he must have, of course, an understanding of the means by which he can control his grinding operation so as to produce at will the pulp of specified quality. The fellowship studies are designed to determine just those relationships, and recent investigations indicate that new methods of testing are likely to contribute effectively to that end.

Various Tests Outlined

Groundwood is a mixture of fibrous particles of widely variant sizes ranging from rather coarse to very fine, and one of the tests consists of separating the pulps into fractions of various sizes of particles. It is very evident that to understand the physical nature of the pulps the relative proportion of the fractions must be known.

Another test is an improved modification of the freeness test. It can be termed "the rate of flow" test and measures the rate of flow of water, under constant head through a mat of pulp previously formed. It includes also, as an important element, a measure of the rate of change of the rate of flow as the flow is continued.

A third test, the so-called static bending test, measures the very important properties of strength and stiffness. Inasmuch as the production and testing of hand sheets composed entirely of groundwood is difficult to perform, strength and stiffness are measured by forming the pulp into a relatively thick mat under standard conditions of forming and drying and then subjecting the dry mat to bending and breaking tests as is done in the testing of wood blocks or strips. The test may, with valuable results, be applied to the pulp or to one of the fractions obtained from it by selective screening.

The preliminary work on these tests has already indicated a mathematical relationship between the coarseness of the pulp, the rate of flow and the strength and stiffness of the mat. It may be inferred that a similar relationship exists between the test data and the quality of the paper made from the pulp.

Montreal Will Co-operate

The laboratory work essential to the preparation of the test methods and to the establishment of the mathematical relationships between test data and quality of pulp and of paper will be done at Madison in close co-operation with the Montreal laboratory. The practical application of the results to the processes of grinding and to the development of means of control will be done at Montreal

Heads Paper Men for 1930

Harold Crabtree, Photo Blank-Stoller.

of Howard Smith Paper Mills Company, elected president of the Canadian Pulp and Paper Association to succeed Col. C. H. L. Jones.

Balance Between Production And Demand for Newsprint Hope Held Out by President

Colonel C. H. L. Jones Tells Association Members That Balance Between Supply and Demand is Practical Certainty Within Comparatively Short Time

The annual message this year of the president of the Canadian Pulp and Paper Association to the members of that organization bears greater significance than usual in view of the widespread interest among investors and the public alike in the efforts of the producers to secure a higher price for their newsprint and thus put operations on a more profitable basis. At the same time the welfare of other branches of the industry are equally important, and this fact is not overlooked in the presidential statement.

In the following comprehensive address, Colonel C. H. L. Jones makes a number of interesting and reassuring remarks about the industry, more especially that branch dealing with newsprint. In the latter regard, the president draws attention to the efforts of the provincial governments in helping the industry through a time of stress. While deprecating any suggestion of government control in any form, in so far as the activities of the industry are concerned, Colonel Jones points out that the governments are to be commended for their recent action inasmuch as they have mighty responsibilities in seeing that the industry is maintained in a prosperous state. Further he says, "It is most reassuring to us as an industry and as an association, however, to have these governments declare, as they have declared, that price fixing by government fiat has no part whatever in their programme." The address ,in full, follows:

A perusal of the annual reports submitted by our several trade sections reveals that the past year has dealt not altogether unkindly with our industry. Every section reports growth and expansion, resulting in increased production.

The newsprint branch, which continues to constitute the backbone of the industry, while meeting with some difficulties due to too rapid development, has fared somewhat better, in many respects, than a purview at the outset of the year indicated might be the case. The worse things predicted for it failed to come to pass. A certain degree of stabilization was effected. The output of the mills during the year exceeded all preceding records by a wide margin, reaching the record figure of 2,728,827 tons. Not only was the domestic and United States demand greater than that of any other year, but overseas exports also enjoyed a marked increase, indicating that Canada is continuing to hold its own in the world's markets, notwithstanding that competition is growing more keen.

Public interest has been centred of

(Continued on page 18)

Meet Has Vital Interest For All Business Men

The annual meeting of the Canadian Pulp and Paper Association is regarded with vital interest, not only by those engaged in the industry itself or investors who hold pulp and paper securities, but also by all business men in the Dominion. The association represents the largest single industry in Canada, its members comprise experts in every branch of this industry, and their views are the views of men who speak with authority.

The Canadian pulp and paper industry is being carefully watched by the whole world, for the industry must be regarded from an international aspect so great has it grown. What the members of the Canadian Pulp and Paper Association have accomplished in the past year; what they intend to do in 1930, has an immediate bearing on Canadian economic conditions.

To give its readers an opportunity to read the reports of the different committees and to form their own opinions of the prevailing situation, The Financial Post has reprinted the reports and papers which have been read before members of the sections comprising the Canadian Pulp and Paper Association.

PARADOX SEEN IN SITUATION OF NEWSPRINT

Industry Unable to Realize Fully on Possibilities

SUPPLY AND DEMAND

Over-expansion Does Not Allow Prices Which Make Operations Profitable

A paradoxical situation prevails in the newsprint industry, the most important branch of the Canadian pulp and paper industry. While the output of Canadian mills in 1929 was higher than in any previous year and Canada maintained her position as the world's greatest producer of newsprint, yet the price which is presently obtained for the product allows but meagre profits for the manufacturer and the earning power of the newsprint companies in no way reflects the potential strength of the industry.

The law of supply and demand is the distributing factor and until a more equitable ratio exists between these forces, earnings will not reflect the dominating position which the Canadian industry holds in the newsprint world. Though the matter will right itself in the future, present conditions cannot be considered satisfactory.

Over-expansion has been responsible for the present impasse. Many new mills have been erected in the past few years and total Canadian production has increased rapidly,—too fast in fact for the steady but gradual increase, which is being witnessed in consumption.

Many Machines Added

Fourteen new machines with a daily capacity of about 1,600 tons were brought into operation in 1928, while in 1929, eight new machines added 880 tons to the daily capacity of the Canadian newsprint industry. Thus in the past four years 51 additional newsprint machines have been brought into operation while new mills are starting production this year.

In view of these facts it is not surprising that the newsprint industry is suffering from over-production, though further expansion is not anticipated for a year or two.

Surfeit is Created

Both the manufacturers of newsprint and the governments of Ontario and Quebec are sadder and wiser. The existing situation is a clear reflection of over-expansion and it is not likely that new mills will be brought into production for some time after completion of those presently under construction. Thus tonnage of mills in Canada may be expected to remain fairly constant for some time, while indications point to a continuance of increased consumption.

Accordingly, the spread which exists today between supply and demand will gradually be lessened with the result that the Canadian manufacturer will be able to obtain a better price for his products. There is no doubt that in many cases he is not getting a return proportionate to the capital invested in his property. Existing prices do not allow for much profit and the recent attempt to raise the price of newsprint met with little success.

Balked at Raise

Naturally the American publisher, who is the chief consumer of Canadian newsprint, could not see the feasibility of paying a price for his requirements, which economic conditions did not justify. He made protests which, broadly speaking, were warranted. The publisher is probably willing to pay a higher price for his newsprint when and if the situation so demands, but he made it clear that he would seek other sources of supply rather than acquiesce to an increase in Canadian prices at present. The force of the publishers argument was made clear and attempts to increase the price of newsprint were withdrawn temporarily, a month or two after the original announcement.

Canada Best Source

Though new sources of supply have been mooted, Canada must always remain the best field for supplying American newsprint requirements, while it is equally clear that the United States will always be Canada's best customer in this commodity.

Consumption of newsprint varies directly in proportion to industrial expansion. For industrial expansion means business expansion; this in turn means more advertising and bigger newspapers. The United States has made tremendous progress in the past year and their consumption of newsprint has increased accordingly.

Further, the outlook for the future is favorable. It has been estimated that advertising in the United States will be on a broader scale in 1930 than it was in the previous year. A circularization of leading advertising agencies in the U.S. revealed the fact that their customers' appropriation for advertising expenditure in 1930 exceeded that of 1929 by an appreciable amount. The inference is that sales of newsprint to the United States will be higher again in the current year. This is an encouraging factor since the year just completed set a record for all time in production and consumption.

There can be no doubt regarding the ultimate destiny of the Canadian industry. The present situation is merely a breathing spell which will enable demand to catch up with supply.

Canada Leads World In Newsprint Output

Production of newsprint in Canada was higher in 1929 than in any year in the history of the industry. In each year since 1922 production has shown appreciable gains; with the past year's record Canada maintains her position as the world's largest producer of newsprint.

Production in the United States continues to decline steadily as is seen by the following figures:

Year	U.S. Production	Canadian Production
1929	1,392,276	2,728,827
1928	1,415,000	2,381,000
1927	1,485,495	2,082,830
1926	1,686,695	1,889,208
1925	1,530,000	1,536,523
1924	1,481,000	1,353,000
1923	1,485,000	1,266,000
1922	1,448,000	1,080,000
1921	1,225,000	808,000
1920	1,512,000	875,000
1919	1,375,000	803,000
1918	1,260,000	735,000
1913	1,305,000	350,000

Modern Newspaper Is Too Cumbersome Condensation Likely

Many of Them Cannot Possibly be Read and Digested

PAPER PRICE FACTOR

Decreased Size Offset by More Papers—Need for Conservation of Forests

An Address by W. D. ROBB, Vice-President of Canadian National Railways, before Woodlands Section.

Of the total land area of Canada—some 3,500,000 square miles—almost one-third is forest. One-quarter of the forest area is considered at present inaccessible and unprofitable. Of the remainder, 36 per cent is merchantable timber, while 64 per cent is young growth.

The Canadian National Railways traverse more than 9,000 miles classified as forested territory, and we tap, as no other railway, the rich timber and particularly the pulpwood supplies of this Dominion. The Canadian National Railways has approximately 65,000,000 ties in its tracks, and the annual replacements average about 6,000,000. This does not include new construction.

Timber Supplies Narrowing

A short time ago it was possible to use local ties supplies on practically the entire forested area and it was also possible to supply the prairie treeless sections from comparatively nearby forests. Due to inroads of industry and to destruction by fire and other causes, the task of supplying suitable timber for making ties has increased proportionately. British Columbia is now furnishing a substantial proportion of the entire needs of the Canadian National.

The process of creosote treatment for the preservation of ties and other timbers used in railway construction and maintenance has increased the life of the tie several times and is proving a very valuable factor in forest conservation. Annual replacements are constantly decreasing due to the use of treated ties, and while the Canadian National figures in 1928 were a little under 300 per

(Continued on page 18)

Mason Regulators

Pressure control with low upkeep and low initial costs

are giving reliable service in the following Mills:—

Spanish River Pulp & Paper Co.
Lake St. John Power & Paper Co.
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Price Bros. & Co. Ltd.
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Donnacona Paper Co,
Laurentide Co.
St. Maurice Valley Corporation
Canadian International Paper Co.
Brompton Pulp & Paper Company
Spruce Falls Power & Paper Co.
Provincial Paper Limited
Thunder Bay Paper Co.
Canadian Paperboard Co.
E. B. Eddy Co.
Abitibi Power & Paper Co.
Wayagamack Pulp & Paper Co. Ltd.
Great Lakes Paper Co. Ltd.
Mersey Paper Co. Ltd.
and many others.

Just because pressure regulation is essential to the operation of your plant there is no reason why you should tolerate high upkeep costs on the regulating equipment. A fair example of upkeep costs on Mason equipment is that of a plant where it amounted to only 12½ cents per annum on every 100 dollars of equipment cost. Moreover, 23 regulating valves were rendered unnecessary because of Mason ability to handle the job with less equipment.

Mason Regulator Company of Canada Limited

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We Supply the bulk of Laboratory Equipment to the Pulp and Paper Laboratories. We make Laboratory Supplies our sole business. Use the FISHER CATALOGUE for Quality and Service.

We have recently moved to more commodious quarters at 898 St. James St. West—carrying a larger stock for quick deliveries. You are invited to call on us.

Do You Get "The Laboratory"? If Not, Send Us Your Name—

FISHER SCIENTIFIC CO., LIMITED
898 St. James St. West MONTREAL, QUE.

BALANCE BETWEEN PRODUCTION AND DEMAND

(Continued from page 17)

late upon the fact that Canada is at present equipped to produce a greater volume of newsprint than the market can readily absorb. While this is true, and while it has resulted in reducing the general average of the output of the mills, based upon their rated capacity, practically no consideration has been given to the fact that every new mill built in Canada means that more of our pulpwood will be manufactured into paper in this country and less will be available for exportation to paper manufacturers elsewhere. There has been a relative decrease in the exports of pulpwood this year as compared with last. There is undoubtedly still too great a proportion leaving the country. The returns show that for the calendar year of 1929 the total shipments amounted to about 1,277,879 cords, which represents approximately 25 per cent of the total cut and compares with 1,301,200 cords, the average annual shipment for the past ten years.

Pulp Situation Improved

The situation with respect to sulphite pulp and to mechanical pulp, as indicated by the reports of those sections, showed considerable improvement during the year, markedly so in the case of mechanical pulp, which for the first time in five years enjoyed an active market at enhanced prices.

The book and writing paper mills produced an increased tonnage, but report that they could have manufactured a still greater volume had the demand justified it. The detrimental effect of the tariff change, (permitting an 80 per cent drawback on certain importations of book paper), which became effective in March, 1928, were more marked during the year. Importations of book paper, under its operation, rose to more than six million pounds, an increase of 600 per cent above the figures of 1927, the year before the drawback became operative. It is quite clear that if the book paper industry is forced to continue to operate under this handicap it will be to its great and continually increasing detriment. A study of the report submitted by the book and writing section is recommended to the members.

Board Section Growing

The paperboard section assumed a place of greater importance in the industry during the year. As in other lines there has been considerable expansion in this division and the mills are now equipped to take care not only of current needs but of those for some years to come. The section has recently been reorganized and is now functioning on a better basis than for several years past. Credit for much of this improvement is due to the efforts of Mr. Louis Lemieux of the Association's staff who, by direction of the executive committee, is devoting the greater part of his services to the affairs of the section.

The various other sections—those dealing with coated paper, wrapping paper, felt, kraft, waxing paper, tissues—all report encouraging increases in business and a favorable outlook for the immediate future.

Complete Institute Building

The Pulp & Paper Research Corporation report the completion of the Research Institute building. Of the special grant of $50,000 made to the corporation at the last annual meeting, $7,520.53 has been turned back into the Association's treasury. All obligations in connection with the corporation's bonded indebtedness maturing during the year have been met.

The joint administrative committee of the Pulp & Paper Research Institute is submitting a comprehensive report of its activities during the year which invites careful and critical study. The committee reports that

Relinquishes Post

COL. C. H. L. JONES, president of the Canadian Pulp and Paper Association for the past two years. He is president of the newly established Mersey Paper Company.

the plant at the Institute is now in complete operation, that the several departments are working harmoniously together with encouraging prospects for worthwhile results. Their report makes clear that increased financial support for the Institute is requisite and necessary and asks, specifically, that $20,000 additional be allotted to them, to be used or not at the discretion of the committee. In connection with the work of this committee I desire to call the attention of the membership at large to the services rendered by our representatives, Messrs. F. A. Sabbaton, H. J. Buncke and John S. Bates. Attendance at the monthly committee meetings have entailed upon these gentlemen a very considerable outlay of time, money and effort, all of which have been ungrudgingly given without expense to the Association. Their knowledge and the results of their experience have also been freely placed at the disposal of the heads of the respective departments of the institute and have been of the greatest value in getting the institute properly organized and the programme of work established. It is a pleasure to place on record the executive's appreciation of their work, which I am sure will be shared by every member of our association.

Technical Section Progresses

The Technical Section, it is agreeable to report, made very definite progress during the year. Under the able guidance of Mr. R. A. McInnis, the chairman, the section has expanded its membership and has added very considerably to the accumulated knowledge of the technical side of our industry. Not the least of its important contributions to the general benefit has been the assistance it has lent to the joint administrative committee and the pulp and paper division of the Forest Products Laboratories in the formulation and the inauguration of a definite programme of work. The summer meeting of the section as well as the annual meeting held in Montreal this week, marked quite a new departure in the way of useful and practical achievement.

Woodlands Section Expands

The Woodlands section, under Mr. R. H. Nesbit's chairmanship, reports a year of enlarged activities. The membership has been increased by 20 per cent, and definite strides have been made in the direction of improved technique of logging and in dealing with problems arising in this the fundamental branch of our industry. Mr. A. M. Koroleff, the section's expert advisor, has rendered capable service to the members, who have not hesitated to avail themselves of his knowledge and ability. The greater part of Mr. Koroleff's time, as a matter of fact, is occupied in visiting the various wood operations and giving the members the benefit of his experience and advice. Research work has been carried on, some of it in co-operation with McGill University, with such satisfactory results to the members that the section's executives are requesting the association to increase its annual grant in order that they may be undertaken on a still larger scale.

Secure New Members

The affairs of the association in general have been conducted with the usual degree of harmony and efficiency. While it was anticipated at the beginning of the year that a deficit might be encountered as a result of the somewhat unwonted expenditures authorized at the last annual meeting, it will afford the members satisfaction to know that we completed the year's business with a fair balance to our credit. The membership has been enlarged during the year by the addition of the following new members:

Eastern Paper & Felt Mills Corporation.
Fraser Companies, Limited.
Mersey Paper Co., Limited.
Thunder Bay Paper Co., Limited.

The executive committee has held the usual number of meetings and has kept in close touch with the affairs of the association generally.

It is with regret that I record the passing of two of the outstanding leaders of our industry in the year that has gone. Mr. F. Howard Wilson, who for many years directed the affairs of J. C. Wilson, Limited, was known to most of our members. He took an active part in the organization, particularly that branch of it which included his own particular line of business, and at one time served our Association as its vice-president.

Mr. Emil A. Wallberg was also an outstanding figure in the paper industry of Canada, although entering it rather late in life. As president of the company, he was largely responsible for the creation and successful inauguration of the Lake St. John Power & Paper Company, and was also associated with the Brompton Pulp & Paper Company.

In closing this report, may I be permitted to add a personal note to this somewhat inadequate review of the association's year. The fact that you have honored me for two successive years by choosing me to serve as your chief executive is one that I appreciate more than I can describe in words. The office has entailed responsibilities and has provided many contacts of a more agreeable character. As to the former I can only say that I have discharged the duties devolving upon me to the best of my ability. It has been a source of the utmost gratification that I have received the united support and the fullest co-operation from my colleagues of the executive committee as well as from the membership at large. As the members know, my chief interest in the association's work during the past five years has been in connection with the development of the technical and research divisions of our activities. I have on more than one occasion been called upon to congratulate the association upon the success of its efforts along these lines—efforts which have resulted in the establishment of the Pulp & Paper Research Institute with all that it implies. I feel, however, that we have but made a fair beginning and, if it is in order to impart advice to my successor and to the incoming executive committee, I would earnestly exhort them to keep up and to enlarge upon the work for which the foundations have now been laid.

Directs Convention

EDWARD BECK, who has done valuable work for the industry in his capacity as secretary of the Canadian Pulp and Paper Association.

Gilmour Heads Council Of Woodlands Section

J. D. Gilmour, of the Anglo Canadian Pulp and Paper Mills, was elected chairman of the executive council of the Woodlands section of the Canadian Pulp and Paper Association at the twelfth annual meeting of the section.

Discussions, held at the Pulp and Paper Research Institute, were attended by a record number of members. C. W. Alden, of Nashwaak Pulp and Paper Company, Limited, St. John, N.B., was elected vice-chairman, and the following members comprise the council: W. McE. Bowden, Canada Power and Paper Corporation, Montreal; M. R. Kane, Price Bros. and Co., Ltd., Chicoutimi, Que.; W. A. Delahey, Canadian International Paper Co., Montreal; C. B. Davis, Abitibi Power and Paper Co., Ltd., Iroquois Falls; H. Kennedy, E. B. Eddy Co., Ltd., Hull, Que.

MODERN NEWSPAPER IS TOO CUMBERSOME

(Continued from page 17)

mile, we hope materially to reduce this figure to equal those of roads which have been using treated ties exclusively for years.

An interesting feature in connection with the timber supplies of our railway is the fact that 95 per cent of all our timbers are purchased in Canada, and only certain hardwoods, which the Dominion cannot supply in the proper quantities, are purchased in other countries.

Protect Own Timber

Sir Henry Thornton, speaking recently, made the following statement: "Every stick of timber burned by fire is an economic loss which cannot be replaced." Following the policy expressed in our president's words, the Canadian National can rightly claim to have taken world leadership in the matter of protecting the forests adjacent to its right-of way from fire due to train operation and other causes. In 1929, despite extreme fire hazard, the total valuation of merchantable timber destroyed throughout the entire Dominion as a result of this railway's operation was only $9,580. Of this loss, $9,000 occurred in the province of Saskatchewan. There was none in the province of Quebec.

Recognizing that the continued success of the Canadian National Railways is tied up with the proper utilization and conservation of our natural resources, it is obvious that the protection of Canada's forests is a matter of vital importance to our railway. Over 15 per cent of the total freight tonnage hauled by the Canadian National is derived from products associated with the pulp and paper industry, showing the importance of the protection of this potential business. While revenues may be high in any one year, their uncertain fluctuation is bad business; but if it is within the bounds of possibility to keep revenues more or less stable, then the supply of the necessary equipment and other matters which go to make the handling of any transportation business profitable can be taken care of in advance and successfully at the time.

Conservation is Needed

The conservation of our forests is also of prime importance for the proper development of the tourist business, which has now become such an important factor in our national income.

The contribution the Canadian National has made to Canada in the matter of forest protection is very difficult to estimate in terms of dollars and cents, but may I direct your attention to the records of a decade or more ago? At that time every newspaper and every well-advised person were pointing out the terrible fire losses occasioned by the steam railways of Canada. What has happened since that time has been a change in the mental attitude of the vast army of employees who make up the personnel of the railway. By education they have become forest-minded, and as a result they have recognized the full meaning of Sir Henry's words, "Every stick of timber burned by fire is an economic loss which cannot be replaced."

Paper Exports Important

Canada's exports of newsprint are second only to her exports of wheat and are greater than the exports of newsprint of the rest of the world. The contribution of the pulp and paper industry to the maintenance of Canada's trade balance in 1928 represented over $193,000,000, so that the products of the industry in which you are engaged have been largely responsible for maintaining the parity of the Canadian dollar. Some 6,328,000 cords of pulpwood worth $75,000,000 in 1928 were fabricated into finished goods worth more than $185,000,000. In other words, the value of the raw material was multiplied two and a half times. The manufacture of rayon fabrics has become one of our leading industries, while the paper box business is also of great importance.

The decrease in price per ton of newsprint, wrapping cord, etc.—or of the products of pulpwood in general—during the last ten years is not inconsiderable, ranging anywhere from 14 per cent to 30 per cent. It has materially affected the industry and forced action to bring together more closely the various producers. It may be too much to expect that the industry in future will be free of such experiences, but it seems likely that crises such as we have passed through in the last couple of years will become less frequent and serious.

Canada is reaching a more commanding position constantly as the forest resources of the United States approach nearer the point of depletion. It would seem that our production costs should hold to a more uniform basis while theirs increase, thus ensuring a steadily expanding market with greater stability of the industry.

May Limit Size

It seems scarcely reasonable to expect that American publishers consuming mainly newsprint will continue to print indefinitely such tremendous publications as they are issuing at the present time. It is not too much to say that a great number of newspapers on this continent, particularly the Sunday editions, have reached the point where they have become cumbersome and wasteful. Many of them cannot possibly be read and digested. As forest resources are depleted, unless some cheap substitute is found to take the place of pulwood, it is reasonable to assume that the size of newspapers will decrease. The price of newsprint will be an important factor in this reduction.

News seems likely to become more condensed and newspapers smaller. A few years ago when Lord Northcliffe was in New York, he was invited by the New York Times to take complete charge of the plant for one day and to produce "the paper of the future" as he saw it. The next morning the Times appeared considerably smaller in size and with news in a much more abbreviated form. This is the tendency of the newspapers of gigantic circulation—from one and a half to two millions daily—in Great Britain, where newsprint is more expensive.

May Attract Others

On the other hand, any tendency to decrease the size of newspapers may be offset in a large measure by an increase in the number of papers. In some European cities the reading public supports a much greater number of papers in proportion to population than is the case in Canada. The city of Oslo, which is about the same size as Winnipeg or Vancouver, has seven daily papers. Several of these have as large a circulation as some of the dailies in the Canadian cities mentioned, if not larger, and they are good publications. Some issue several editions daily. As population increases and education develops, the number of papers seems bound to increase, so that it is likely that we shall be put to it not only to conserve our forest resources to the utmost of our ability, but to find cheap substitutes as well.

It would be pure presumption on my part, in talking to experts such as you men are, to try to tell you anything about your own particular studies. We are living in what is commonly called the "machine age," but might better be described as "the age of scientists and chemists," and the work you are doing is, after all, of far greater importance than the man on the street knows or recognizes.

During the past few years we have all heard a great deal of talk up and down the country about conservation of our timber resources and the wasteful destruction that is going on, and we have come to think in terms of the four main factors in our forest industries; production, consumption, conservation and reforestation. We do know this: that our country has arrived at the critical stage where forest production no longer is keeping pace with the fast increasing consumption.

Let my concluding words then, be an appeal to the people of Canada, to all true citizens who have the advancement of our national welfare at heart and who desire to preserve the people who are here today, but for our children's children and generations to come, to rouse themselves to the seriousness of the situation, to bear in upon our governments, dominion and provincial, the importance of their awakening to action (as we hope they will do before it is too late) to develop through the medium of special commissions, or by organization of their own forces, or by some determined means a system of protection, conservation, reforestation, the use of substitutes, and any other means whereby production may once more overtake consumption, placing our forests in the position where they can supply the needs of our ever-growing country for all time to come.

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STEEL pipes with welded seams can now be applied to high pressure work. Waterous owns the Canadian Patent on "Reinforcing Straps" used in welding joints.
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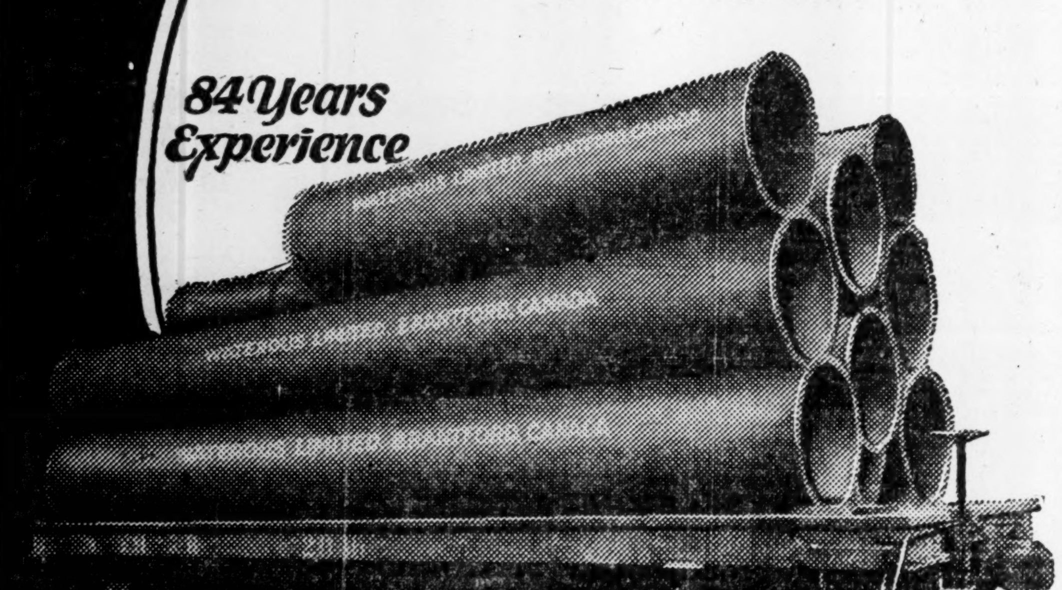

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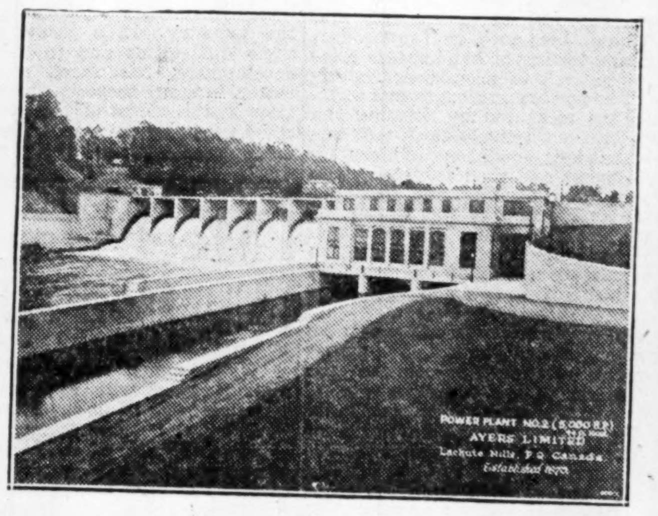

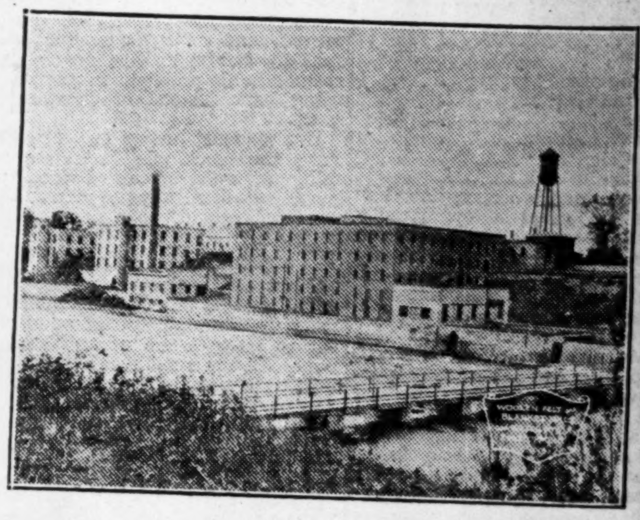

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Also specialize in

Heavy Cotton Duck (*Dryer Canvas*) and Cotton Rope for Paper Machines

and

All Wool Blankets
Overthrows and Travelling Rugs

PAPER MAKING IS ART OF CENTURIES

(Continued from page 17)

come up through this experience with no technical education or training whatever.

After the pulp comes from the stone, it is put into usable condition by passing through various sets of screens, and sometimes over rifflers, but even the men in the mill laboratory know little, if anything, about the proportions of various fibre lengths and their paper-making qualities, which groundwood contains when it goes to the machines.

In the use of pulpstones alone, there is opportunity for great savings I have a list of stone costs ranging from 6 cents to 60 cents per ton of pulp. Would there be any such range as this if grinding wood were scientifically understood and controlled? We have long known, for instance, that stones break less if well seasoned before used, yet so far as I am aware only one newsprint mill in North America has built adequate storage space with controlled temperature for its stones so that they will be taken out in rotation according to age. The prevention of premature breakage of three or four stones will pay for the cost of this installation.

Natural stones are unavoidably subject to all kinds of variation in constituents and make-up. Theoretically, it should be possible to make a vastly superior artificial product. The first artificial stone was tried nearly 60 years ago and progress is still being made in this direction. It will not be at all strange to see natural stones completely displaced —unless before that time arrives it is demonstrated that the use of any kind of a stone is altogether too crude and cumbersome a method of disintegrating wood—and this isn't beyond possibility, either.

An improvement in groundwood which would make it possible to use 10 per cent more in a sheet of newsprint might save $2 per ton of paper.

Following the habit of putting water into wood and taking it out again, it was the practice for 50 years to lap pulp and then beat it up again to get it into condition for paper making. Then it was discovered that a short circuit could be made and the pulp kept in slush form, so wet machines and beaters with all their attendant labor, disappeared with a saving in cost of several dollars per ton of paper.

In and Out Method

We still follow the in and out method to some extent, however, because after having our material at very nearly the right consistency for the paper machines as it comes from the pulp screens, we run it through deckers to take the water out of it, and then dilute it again en route from the mixing system to the head box. A practical thin-stock consistency regulator seems to be just on the horizon, however, so that when we get it, together with our present automatic metering systems and storage tanks, we shall be able to short-circuit the deckers, as previously was done with wet machines and beaters. Cutting out deckers may save us 30 cents per ton of paper—and even that is worth trying.

We left part of our stream of wood en route to the sulphite mill. Passing by the economies which are always possible through better plant layouts and better mechanical equipment which turns out more product with less power, the sulphite mill offers great opportunities for either improvement in quality or saving in cost—and quite likely both.

To start with, it isn't at all certain that we know all we should about the size of chips and their uniformity. One of my most practical papermaking friends suggests the classification of chips into at least three sizes by means of rotary screens, with each size class cooked separately so as to secure uniformity of cooking times and yields. It is certain that a uniform product can come only from uniform raw material. In many plants as much as 5 to 6 per cent of sawdust is made in chipping the wood, much of which can be avoided by proper design and operation of the chippers. The question may also well be raised as to whether chipping is the best way of preparing wood for cooking.

Then there is lack of scientific determination of the rate and extent of penetration of chips by the cooking liquor.

Knowledge is Lacking

Neither do we know nearly as much as we should about the effect of various cooking times and temperatures upon quality and yield. It is also probable that more can be done toward uniformity of temperature throughout the digester. Such information as we do have indicates that in the average operation, the yield might be increased as much as 10 per cent through more intelligent control of these items alone. This might make a saving of $4 per ton of sulphite manufactured. The mill chemist may be the alchemist to transform our spruce and balsam into gold.

In newsprint now 75 per cent or more of the constituent is raw wood and the balance rather pure cellulose sulphite quality for this purpose. The Madison Laboratory believes that semi-sulphite suitable for newsprint can be made with a yield of 75 per cent by weight instead of the present 45 per cent, and that with the use of rod mills to complete the preparation there seems to be no reason why a larger proportion of semi-sulphite than of normal sulphite should be required.

Then there is the whole field of direct and indirect cooking; of insulated digesters, of non-corrosive materials which need not be lined, forced circulation methods and acid-accumulators, substantial progress in any item of which might make a very material saving.

It is within the range of reasonable practice to make sulphite with 2,000 lbs. less steam per ton of pulp than the present average of 8,000 lbs. This means a saving of about 75 cents per ton of pulp.

Quite likely, there is a lot yet to be learned about acid-making. It seems pretty crude for each mill to go far and wide for limestone of varying properties, and to bring sulphur a distance of 1,000 miles or more in order to make for itself a simple chemical, which in a different organization of industry it should be possible to buy economically and of uniform quality from the makers of chemical products. Why shouldn't there be a tie-up of this kind?

Variations in Contents

Reports indicate variations of 40 per cent in the quantities both of sulphur and limestone used per ton of sulphite pulp. Cooking liquor varies widely in composition among mills that use similar wood to make the same grade of pulp. Even if the mills continue to make their own chemicals it should be possible to greatly improve their processes.

The question of waste sulphite liquor is always with us. This liquor contains half the weight of the wood. Chemists have been trying for nearly 50 years to find a profitable use for it. It looks as if a solution were near at hand, in which through recovery of its valuable constituents this troublesome material will be turned into profit instead of into our rivers.

Sulphite goes through the same processes of screening, perhaps riffling, and then deckering, as does groundwood, and the same remarks apply here as in the other case. Deckers should disappear, and doubtless will, in the near future.

Screens for both groundwood and sulphite pulp are being rapidly improved. Some of the recent types are low in original cost, require very little upkeep, and take about half as much power as was required only a few years ago. Very material savings in space and operating cost are taking place in this field, and there is no reason why they should not continue.

My chemical friends say that little or no thought is given to the fact that fibrous raw materials are preeminently colloids and, as such, are possessed of properties which are subject to alteration with minute changes in acidity or alkalinity, or even in the concentration of various dissolved materials prevailing in very limited proportions. Softness shrinkage in drying, opacity, surface finish and other important properties may perhaps be subject to changes and control by an intelligent accumulation and application of the knowledge of colloids.

Paper in Primary Stage

Having brought our screened groundwood and sulphite together via consistency regulators and metering systems, let us assume that the stock, which may go through a jordan, is given a final screening before it reaches the head box, that the latest "eliminator" checks the current and keeps down the bubbles, and that finally it passes under a slice invented by a member of this section, and out on the wire.

The mixture now contains about 99½ per cent water, and is to be transformed into a sheet of paper containing 8 per cent water while travelling at the rate of 1,000 feet per minute. As the total length of travel is some 600 feet this must be accomplished in about 40 seconds.

The water is taken out of the swiftly moving sheet in four ways: gravity, suction, pressure and heat, with the final surface given in the calenders.

The first paper-making machine was simply a moving wire screen upon which the pulp was carried through a single press with the drying still to be done as it was when hand-made. Then came the idea of running the sheet over hollow, rotating iron cylinders, heated with baskets of burning charcoal suspended inside. Steam followed next and then suction boxes and presses, and so, step by step, the paper-making machine was built upon the Robert-Fourdrinier basis, until we have the latest monster, weighing some 2,000 tons.

We will take it for granted that the present standard machine has suction boxes, as always, a suction couch and two suction presses, 46 to 48 dryers, with some good system of condensate removal, electrical or improved mechanical drive, reels and rewinders that do their jobs effectively, and that the sheet is carried through presses and dryers mechanically in case of breaks.

With such equipment, what more is needed?

I should say that there are two outstanding items: First, automatic stock control which will regulate the weight of the sheet, and second, a method of operation and control whereby a suitably finished sheet may be made to carry 10 per cent of water instead of the present average of 8 per cent. In addition to giving a better printing surface there is no place in the mill where more returns can be secured than right here. When will some bright technical man turn the trick?

Work on New Lines

So far I have spoken only of standardized equipment. Ogden Minton has contributed a new idea in paper drying, and our good friends on the Saguenay are spending large sums to prove that he is right. They will evidently succeed. This means an entirely new set of problems, the solution of which is in the hands of the technical men, and the rewards from which mean another reduction in the cost of making paper.

Then our vigorous friend from Sandusky comes along and says that all the machine builders and paper makers are hidebound and at the end of a blind alley, and that he has an entirely new sort of paper-making machine, half as big, that will run twice as fast. Now, if the licensees under the Millspaugh and Minton patents combine the wet end of one machine with the dry end of the other, we will have something really revolutionary in paper making and the experts can start in and learn all over again. And it is not out of the way to suggest that the successful outcome of experiments of this sort may to some extent depend upon much more scientific manufacture of pulp, and much better stock control than we have at present.

But let us get back to the present two or three roll, 1,000 to 1,200 feet speed machines. One makes 11 tons of paper per pound of felts and one ton per square foot of wires. Another makes 18 tons per pound of felts and 1½ tons per square foot of wires. It would appear that scientific operation could bring these two closer together.

One mill uses 7,000 pounds of steam in the dryers per ton of paper, and another 10,000 pounds per ton.

What proportion of the total steam consumption is really effective in drying a sheet of paper? In multiple effect evaporators for other materials, a pound of steam evaporates two or three pounds of water. In newsprint, it takes more than a pound of steam to evaporate a pound of water. Why should there be such a multitude of systems of condensate removal? Isn't this one of the indications that there is a lot yet to be learned about the application of heat to drying paper?

Steam Costs Important

Steam costs an average of 38 cents per 1,000 lbs. If we save 1,000 lbs. per ton of paper we save from $38 per day up on one modern machine. Evidently something is to be said for improved drying and ventilating systems. If, through better specifications and manufacture, or more careful usage, we make our felts, jackets and dryer canvas run only 10 per cent longer, we may save $5 to $10 per day on one machine. And in making these statements I am not ignorant of the inter-relationship betwen the use of steam and the life of machine clothing. A saving of several cents per ton on wires also looks reasonable.

And there are broke losses ranging from 2 per cent to 9 per cent. If we assume 4 per cent to be a reasonably attainable standard there are many mills which can greatly improve their operating efficiencies in this one item alone. An increase of 2, 3 or 4 per cent in output through better stock preparation and control, and more smoothly running equipment will amount to large totals on the year's balance sheet. Incidentally, I recently made up a list of machines having the highest trim-speed production factor, and there was not one so-called "modern machine" on the list—nor one running over 700 feet per minute.

The average finishing and shipping room has always impressed me as showing the least sign of progress of any part of the paper mill. Wrapping is still done entirely by hand except to a small extent in a few cases where heading equipment has been installed, and generally men are seen moving heavy rolls about on hand trucks. Finishing represents a small proportion of the total cost, it is true, but every small item saved is just so much gained. Time and again we have heard about a roll-wrapping machine designed to do the whole job, including weighing and stenciling, but none has yet gone into practical operation in America. Compared to the complicated machinery in many other industries it would seem comparatively simple to develop a roll-wrapping machine which would do away with nearly all hand labor in the finishing room.

Then again, in many plants there is not enough mechanical equipment in the way of cranes or conveyors for the handling of paper into either storage or cars. The saving of the labor of only one man for a year would pay interest on an investment of $10,000 in equipment. There should also be a larger use of ball or roller bearings.

Then we have the old question of cores. After a long struggle, the iron core, except in a few isolated cases, has disappeared in favor of the less expensive fibre core with a metal cap. The next logical step is a light-weight, non-returnable paper core, generally made by each mill from its own screenings, as are wrappers, and the entire mill product sold gross weight. It is not unusual now for a large mill to have $150,000 tied up in cores, to say nothing about their high "nuisance value" to both the paper manufacturer and to the publisher, who must return them. Only in rare cases is the strength of the present core necessary to avoid damage in shipment. I am confident that the whole thing could be done away with if there were purposeful co-operation between the paper makers and the mechanical superintendents in the press rooms.

Steam Expensive Item

Next to wood, steam and power are our most expensive items in the manufacture of newsprint paper, and the greatest of these is steam. Larger savings in the past few years have been made in steam plants than in any other department of the industry, but there is still great opportunity for progress.

The modern hydro-electric plant is close to its possible maximum efficiency at the production point. The savings here must come largely through improvements in transmission; on the other hand, there was little real gain in the efficiency of steam plants for nearly 100 years. Now the up-to-date steam-electric generating plant gets nearly twice as much energy from a pound of coal as did the up-to-date plant of only fifteen years ago—and there is still a wide gap to be spanned before we reach the maximum possible efficiency of steam generation and utilization. A steam plant has the advantage that it can take a very low grade cheap fuel, and by means of either stokers or pulverizers extract nearly all the energy from it. In the best of the modern steam plants hand labor has been almost as completely abolished as in the hydro-electric plant. Steam units are going in which dwarf the greatest thing yet attempted with water power as, for instance, the 200,000 h.p. turbo-generating set which has just been installed in New ork City, whereas the largest single hydro-electric unit is not half this size.

Of course, these great steam generators are far beyond the requirements of a newsprint mill; but on the other hand, just as efficient ones in smaller sizes are entirely practical, and we are getting some very low steam costs in some of the latest mills through the use of furnaces with water walls, preheaters, economizers and the generation of high-pressure steam.

Era of High Pressure

Apparently we are just entering an era of high pressures. A railway locomotive has just been built for 500 lbs. pressure and it is not unlikely that before long we shall have twice as great pressures in common use at stationary plants.

With steam economically generated at high pressures, extraction turbines for power and process steam taken from them, great economies of operation have been effected—and the end is not yet!

There is still a long way to go in the utilization of steam because, like water, a great deal more has so far been used than is necessary under good practice. We have made progress, however, since the days when James Watt labored vainly to have parliament prohibit the use of more than 6 lbs. pressure in steam engines.

Labor Costs Lowered

The total cost of labor in an integrated mill is between $4 and $5 per ton of newsprint. Very substantial economies have been effected in labor items during the past five years, as indicated by the fact that conversion costs have been materially reduced without any reduction in wage rates. Very largely this has been accomplished through increased size and speed of equipment. A machine making 150 tons of paper a day requires only two more men to tend it than one which makes 50 tons. Magazine grinders may make mechanical pulp with only 50 per cent as much hand labor per ton of product as pocket grinders; and larger digesters take fewer men per ton of pulp in a sulphite mill.

Taken all together, the labor inside the best modern news mills, from grinder and chipper room to shipping shed, including acid and steam plants, excluding electric and water power, is about 8 man-hours per ton of paper. There are other mills which take 13 man-hours to make a ton of paper But there is still too much hand labor, and it is safe to say that it could be considerably reduced if we gave the task of so doing to a special engineer when we start to build our plant. I would also like to suggest that he give his first attention to the finishing and shipping rooms, so far as reduction in labor is concerned.

Repair Bills Heavy

And then there are repair bills, which naturally run more heavy in old plants than in new ones, but which, in any event, may average up to $2.50 per ton. To a considerable degree, the extent of repairs can be reduced through carefulness of design and operation, and the cost held down to a reasonable figure through a budget method for all major items. An engineer with some training in accounting can make a good record in this field.

General Plant Savings

There are a number of general plant savings; the total of which may easily go beyond $1 per ton even if they are only partially successful.

The average newsprint furnished today is about 80 per cent groundwood and 25 per cent sulphite, although some mills report as low as 15 per cent sulphite and some as high as 30 per cent. Contrary to popular opinion, there seems to be no direct relationship between the proportion of sulphite and the strength of the sheet shown by the Mullen test. There is reason to believe that research and experiment in the production of mechanical and chemical pulp might show us how to make an entirely satisfactory sheet of newsprint with as low as 10 per cent sulphite content and substantial saving in cost.

In some mills screenings wasted amount to 3 per cent of the groundwood made, and 5 per cent of the sulphite. It should be possible to reduce these wastes to 1 per cent, either through improvements in operation or the use of refiners, of which several types are available. The extent to which screenings go into cores, wrappers and board stock may be considered a reasonable solution of the problem, but there are still mills in which screenings are run into the river.

Whitewater Losses

Then there is the question of whitewater losses. Due to the general adoption of better systems of recirculation and of save-alls and filters of various kinds, these losses are much less than they were ten and even five years ago. Going outside the newsprint field again for a horrible example, I am told of a mill which takes over 120 lbs. of stock for 100 lbs. of paper shipped. In an average newsprint mill the furnish is about 106 per cent, when it is reasonable to assume the practicability of a furnish of 102 per cent if the best equipment is used and a closed system maintained. Of course, many so-called "closed systems" have pretty wide openings if closely inspected, and there is complaint that one which is really closed produces slime. However, it has been found possible to overcome slime and it is important to remember that a reduction in furnish from say, 106 per cent to 102 per cent may easily amount to 50 cents per ton of paper made.

Really, a part of this question of whitewater losses is that of the amount of water used in the mill. Very frequently water is used as if it were unlimited in quantity and without cost. In some places the quantity used in the paper mill alone amounts to 50,000 gallons per ton of product. On the other hand, a case is on record where a mill which had to buy its water from a city at metered rates used only 2,500 gallons per ton of paper—and made a satisfactory sheet, too. In another plant the water supply for a mill has cost $1,000,000, in construction of storage and pipe-line. This will not be cheap water.

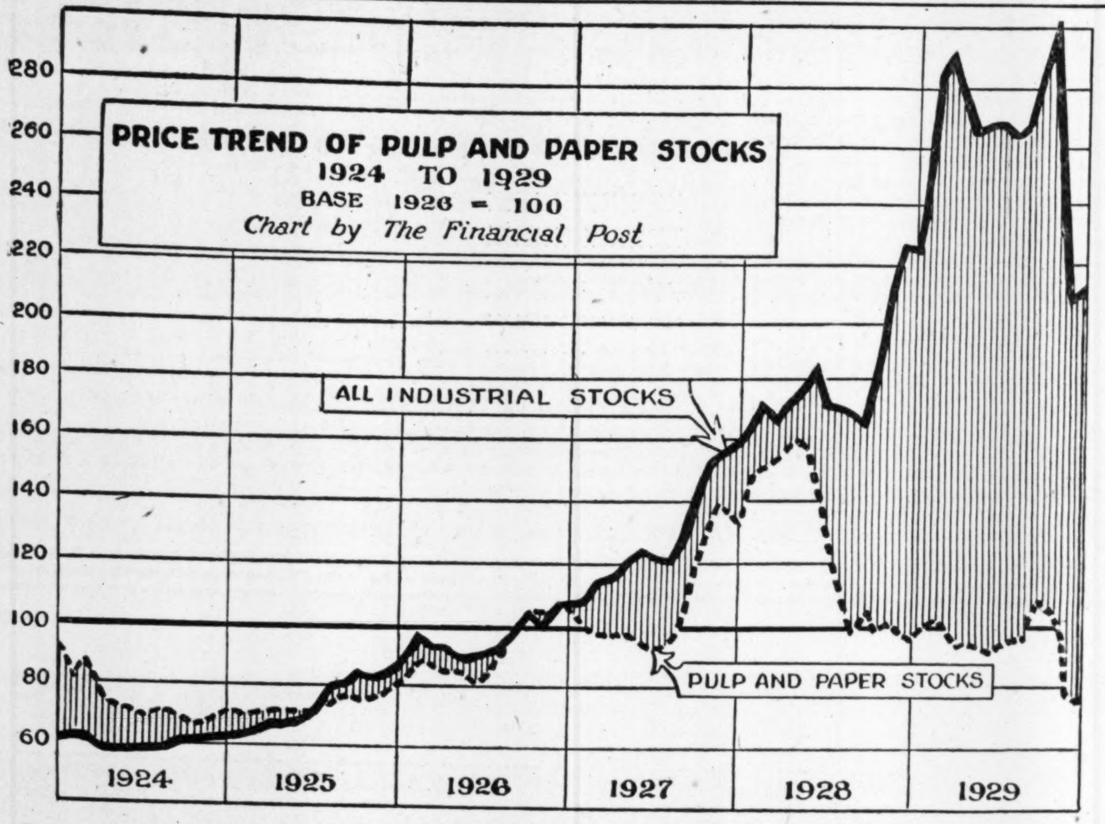
Last to be mentioned, but first in importance is a system of cost standards by which the efficiency of all methods may be quickly and adequately determined and the unprofitable ones dispensed with before they have time to run into material losses.

The suggestion I have so freely made may seem a counsel of perfection, but in each instance they are no more than has already been accomplished somewhere. I realize also the impossibility of maintaining 100 per cent efficiency in men and equipment all the time. Nevertheless, it is the constant striving to this end that carries us forward. While much has been said about improvement in methods and machines the human factor will always remain of great importance. An authority tells me that of 140,000 men in the North American paper industry not more than 3,000 are making any effective effort to improve themselves. There is much yet to be done in the field of human engineering. However, we do have leaders who understand that progress is not only inevitable but desirable, and to them we look for further advances.

The recent less profitable times for newsprint have forced demands for economies and efficiencies that might otherwise have been long delayed. The technical man who can make good now has a better chance than ever before. Moreover, he is young enough to outlive many of the old-timers who scorn technical methods. He is the man who may transform paper making from an art to a science, and his reward will come to the extent that he is qualified to take advantage of the opportunities on every hand.

Progress in the manufacture of newsprint in recent years has been more rapid than in any other branch of the paper industry. This has been partly caused by the stress of competition, but more largely brought about, I believe, by the willingness of all concerned; from executive to workman, to put their knowledge into a common pot so that each might draw therefrom the portion best adapted to the solution of his particular problem. May this spirit always continue!

Newsprint Stocks Suffered Least in October Crash



Security values broke badly five months ago when a flood of selling orders disorganized the stock markets. The relative decline of the newsprint stocks, however, was less than that for all industrial stocks as a group. Values of the former are still low, but if a higher price for newsprint is secured and consumption maintained, a healthier tone should prevail for this type of security.

Price Elected Head Newsprint Institute

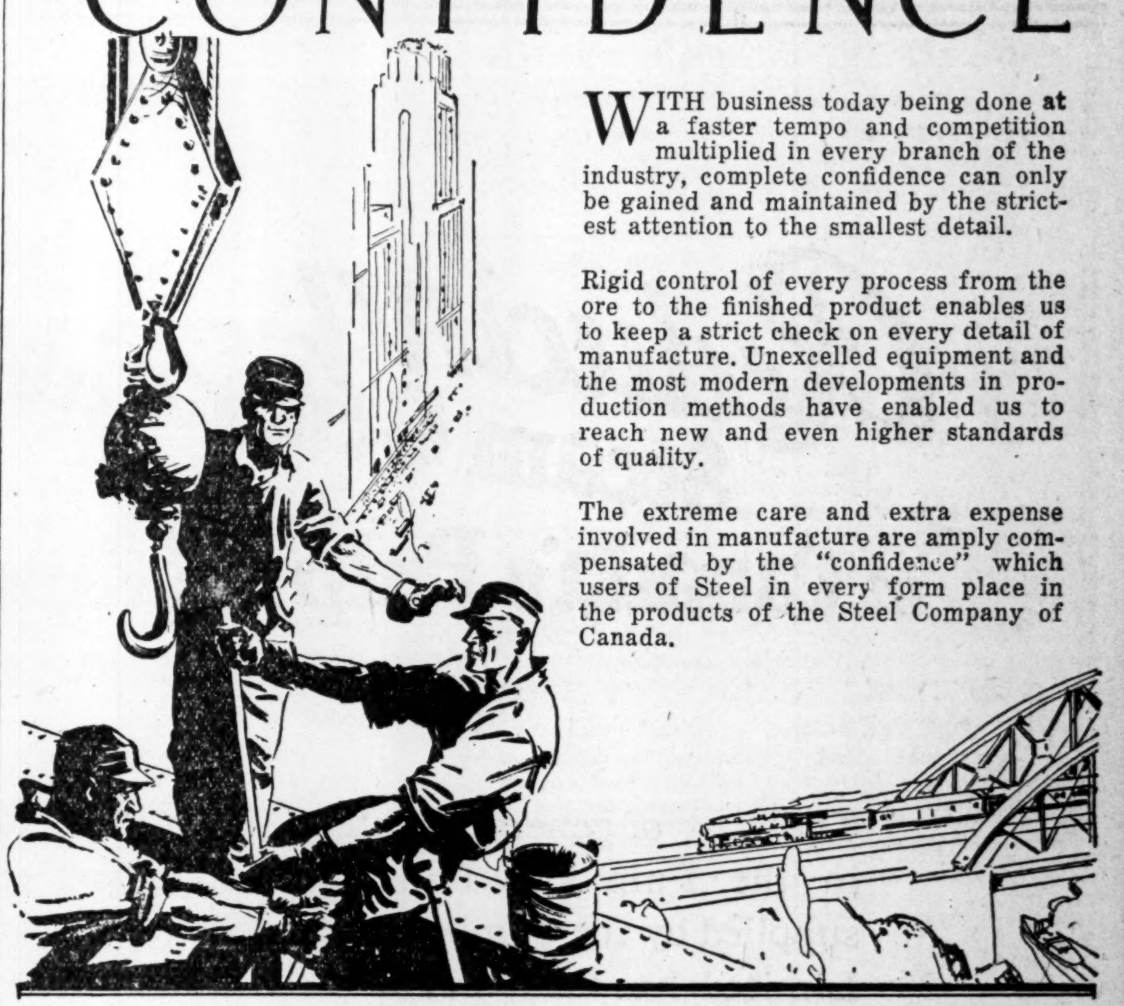
From Our Own Correspondent

MONTREAL—John H. Price, president of Price Brothers and Company, will head the Newsprint Institute of Canada during 1930. He succeeds C. R. Whitehead, who occupied the chair during the past year, the first in which it existed.

The Newsprint Institute came into being early last year for the purpose of distributing new business offering to Canadian mills. The majority of the Canadian companies are members of this organization, which is credited with having brought about a greater degree of stability to the industry.

The election of John Price to the office of chairman of the board, is construed as meaning that there will be continued for the year the pooling of tonnage among the various mills, so that each will receive its share in relation to its capacity.

CONFIDENCE



WITH business today being done at a faster tempo and competition multiplied in every branch of the industry, complete confidence can only be gained and maintained by the strictest attention to the smallest detail.

Rigid control of every process from the ore to the finished product enables us to keep a strict check on every detail of manufacture. Unexcelled equipment and the most modern developments in production methods have enabled us to reach new and even higher standards of quality.

The extreme care and extra expense involved in manufacture are amply compensated by the "confidence" which users of Steel in every form place in the products of the Steel Company of Canada.

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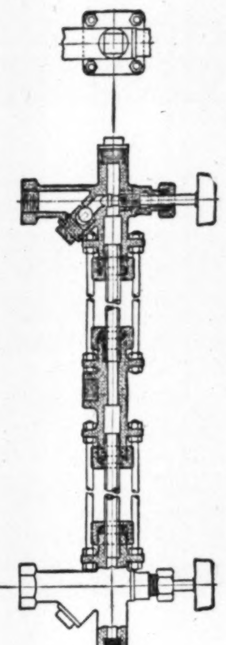
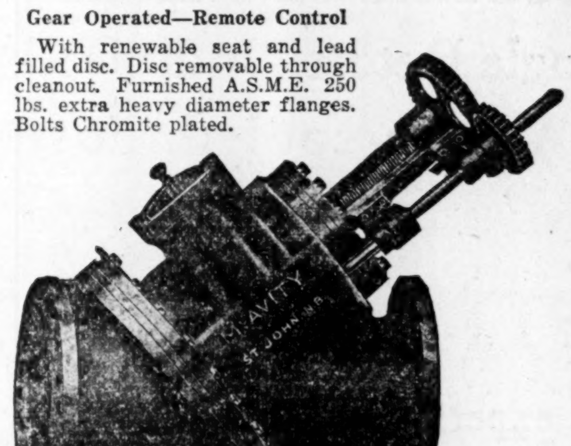
Hamilton - Executive Offices - Montreal
Sales Offices: Halifax, Saint John, Montreal, Toronto, Hamilton, Winnipeg, Vancouver
Works: Hamilton, Montreal, Toronto, Brantford, London, Gananoque

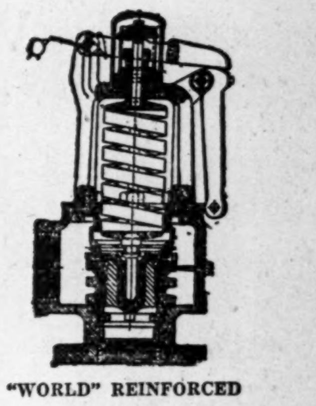
Serving Canada's Pulp and Paper Industry



"WORLD" GAUGE GLASS MOUNTINGS.
Extra Heavy Bronze
With an Automatic Ball Check which prevents the escape of Gas, whether Steam or Acid, in the event of the Glass breaking.
This type of mounting is very serviceable and ideal in connection with the new Accumulator Systems now being installed in the majority of leading Pulp Mills.

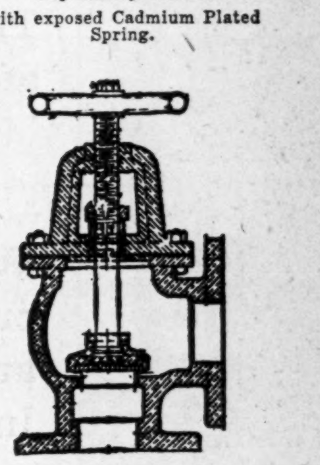
"WORLD" DIGESTER "Y" BLOW-OFF VALVES.
Gear Operated—Remote Control
With renewable seat and lead filled disc. Disc removable through cleanout. Furnished A.S.M.E. 250 lbs. extra heavy diameter flanges. Bolts Chromite plated.





"WORLD" REINFORCED
Consolidated Pop Safety Valves
with exposed Cadmium Plated Spring.

"World"
STANDARD SINCE 1834
TRADE MARK WORLD



"WORLD" REINFORCED ANGLE VALVES
with bolted cover and rolled phosphor bronze spindles.

"Acidrist"

IN THE manufacture of "WORLD" Bronze "ACIDRIST" Supplies for Sulphite Mills, such as: Valves, Fittings and other Digester equipment, it is, of course, necessary to use an absolutely uniform mixture of the requisite component "Virgin" metals to obtain a result that will be of the highest degree of resistance to acid effects in order that delays in the digester rooms may be cut to the minimum and the maximum output obtained.

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VANCOUVER

Book and Writing Paper

Report by H. CRABTREE, Chairman of the Committee

The Book and Writing Mills report a total increase in production for the year 1929 of 5,617 tons. While this increase represents an advance over the previous year, it falls far short of enabling the mills which have a maximum capacity of well over 100,000 tons to operate to their fullest extent, the total output of 72,268 tons representing an operation ratio of only 72.26% of possible production. To meet this situation and to bring production up to an economic level, the mills were forced to resort to the manufacture of a range of lower grade products which do not properly belong to the book and writing classification and which cannot be produced profitably by mills of such a high capital cost.

Importations of book and writing papers of all kinds for the year amounted to 8,448 tons or 11.60% of the output of the Canadian mills.

Book Paper

In our report for the year 1928, we drew attention to the effect of the change in the tariff permitting a "drawback" of 80% of the duty on importations of book paper when used for certain classes of publications. The detrimental effect of this drawback has been emphasized during the past year since it was responsible for a very large increase in importations of paper under this heading, as is shown by the following returns of the Customs Department:

	1927 lbs.	1928 lbs.	1929 lbs.
Book Paper M.F. or S.C. exclusively for magazines, newspapers, etc.	1,076,171	4,804,613	6,360,409

Over a period of eight years, from 1922-1929, the annual consumption of book paper in Canada has averaged approximately 34,000 tons, and in the same period the average annual production of the Canadian mills was 33,000 tons.

The following table gives the figures for the seven year period.

	Production tons	Imports tons	Exports tons	Consumption tons
1922	30,729	3,906	1,585	33,050
1923	35,079	2,810	2,466	35,423
1924	28,542	3,452	1,144	30,850
1925	29,287	2,458	2,388	29,357
1926	31,979	2,889	2,037	32,831
1927	34,176	3,775	4,994	32,957
1928	35,555	6,331	3,695	38,191
1929	38,246	7,628	3,703	42,171
8 year average	32,950	4,156	2,751	34,354

It will be seen from these figures that there has been but little actual increase in the consumption of book paper in Canada in this period. Actually, it was the larger consumption in 1929 which brought up the average to 34,352 tons, the average for the previous six years being only 33,110 tons.

Imports Show Growth

Importations of book paper into Canada did not show much growth previous to 1928, but in that year there was a considerable increase due to the granting of a drawback already referred to. Some 1,500 tons of the paper thus imported consisted of rotogravure paper. This business, in the near future, it is expected, will be transferred to Canadian mills. Thus the importations of ordinary staple lines of book paper outside of those affected by the 80% duty drawback are not large.

As illustrating the disadvantage under which Canadian mills operate as against the mass production of the mills in the United States, it may be stated that the production of book paper by United States mills in 1928 was 1,409,000 tons as compared with a Canadian production of 35,555 tons. On a per capita basis the consumption in the United States is approximately 23.5 lbs., while in Canada the per capita consumption is 7 lbs. or less than one-third of that of our neighbors.

Canada exports very little paper of this grade. Labor costs in this country are higher than in European producing countries, so much so as to make Canadian competition out of the question while high tariffs and heavy transportation rates also serve to restrict the market.

Writing Paper

The consumption of writing paper in Canada in 1929 amounted to about 34,600 tons and the average annual consumption for the past eight years was approximately 25,000 tons. There has been a steady but relatively small annual increase in consumption since 1923 and up till 1928 the exports were greater than the imports. As will be seen from the table given below, the Canadian mills have been well able to take care of demand, the output each year, except in 1928 and 1929, exceeding consumption.

	Production tons	Imports tons	Exports tons	Consumption tons
1922	18,326	580	611	18,295
1923	18,113	405	1,161	17,357
1924	22,072	368	997	21,443
1925	23,423	438	619	23,242
1926	25,773	678	952	25,499
1927	27,430	580	768	27,242
1928	31,096	526	235	31,387
1929	34,022	820	209	34,633
8 year average	25,032	549	694	24,887

Importations of writing paper are not large, the average for the past eight years amounting to but 549 tons. They consist chiefly of specialties, fancy papers, etc., for which the demand is insufficient to warrant their manufacture in Canada.

In writing, as with book papers, Canadian producers labor under great disadvantages as compared with the United States. U. S. production of writing paper in 1928 amounted to 525,000 tons against a production in Canada of 31,000 tons. Consumption of this grade of paper in the U. S. approximately 9 pounds per capita while in Canada it ranges between 5 and 6 pounds.

To sum up, it would seem that the Canadian mills are equipped to provide for the full domestic demand for book and writing papers for some years to come as well as to look after any normal increase that may arise.

There are other grades of paper imported into Canada, such as cover papers, vegetable parchment, blotting, glassine, etc., but generally speaking, these imports again consist in large part of specialties for which the demand is strictly limited. They are produced in large quantities in the United States with its population of 120,000,000 people, and in European countries with dense population and low cost labor. The small volume required by Canada is shipped here and sold at prices with which no Canadian mill can compete. They do not in any sense constitute a warrant for any expansion of the industry at the present time.

Swedes Enter Turkey

Swedish industry has lately found an important outlet in modern Turkey, greatly aided by the new industrial laws recently passed at Angora. This law, valid for fifteen years, provides free land for industrial enterprises and certain reduction in taxes and also allows the duty free import for industrial use of a number of articles which the country itself does not produce in sufficient amount. On the Turkish railroads materials necessary for the erection and equipment of factories receive a freight rebate of 30 per cent.

Reducing Steam Generation Costs in Canada's Pulp and Paper Mills

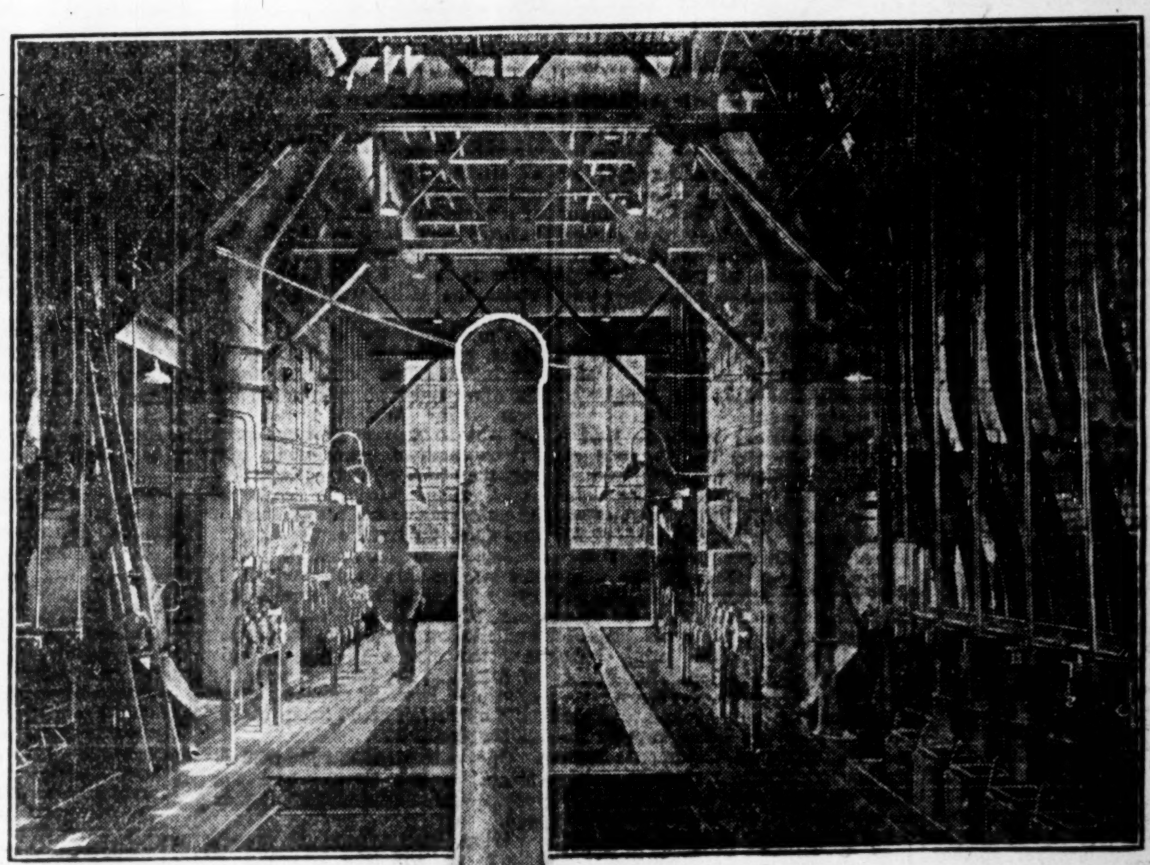
The cost of generating steam is an important factor in the Pulp and Paper Industry, and equipment supplied by the Combustion Engineering Corporation, Limited, has made material reductions in steam costs in many of the largest mills.

The following is a partial list of Combustion Engineering Equipment:

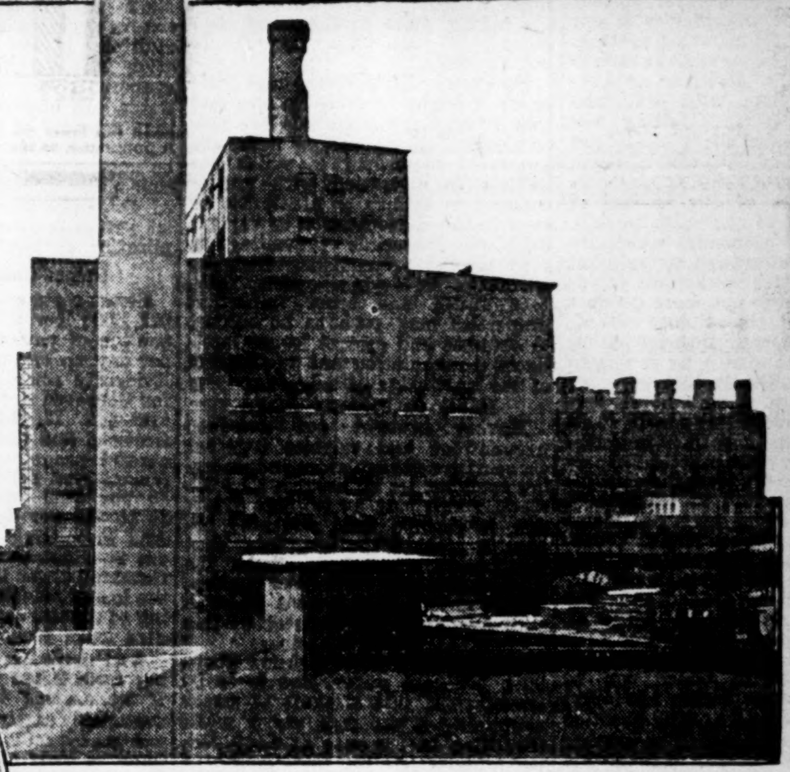
Direct-fired Systems of Pulverized Coal
Storage Systems of Pulverized Coal
Multiple Retort Underfeed Stokers
Wood Refuse Burning Equipment
Single Retort Underfeed Stokers
Water-cooled Furnaces
Air Preheaters

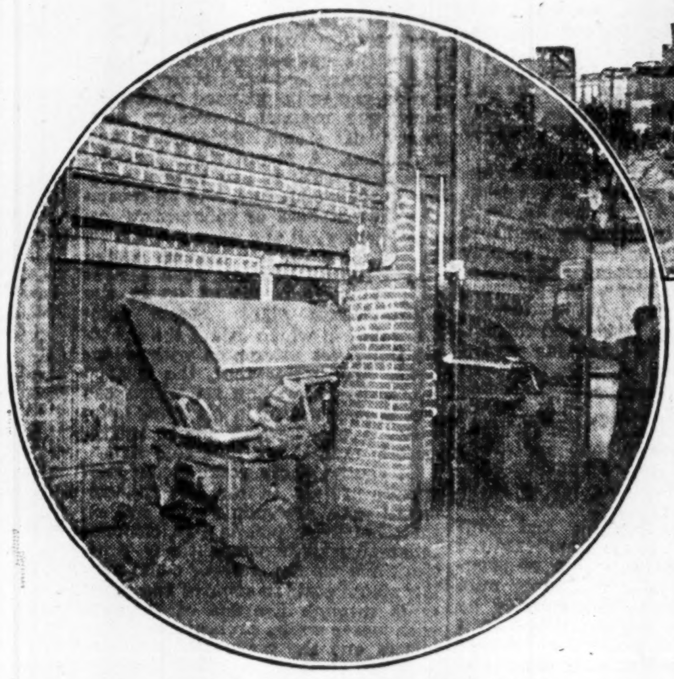
The experience gained through the design and erection of such plants is at the disposal of Steam Plant owners throughout Canada.

We invite operators and engineers to write our nearest Branch for a reprint of an article "High Pressure Steam in the Paper Industry."



Typical Lopulco Pulverized Fuel System in one of Canada's largest paper mills.





Typical Type E Stoker installation in a prominent Canadian manufacturing company's plant.

You will find equipment of this organization installed in the best known Canadian paper plants, a few of which are listed below.

St. Lawrence Paper Mills Co., Ltd.
Canadian International Paper Co.
Laurentide Co., Ltd.
Fort William Paper Co.
St. Annes Paper Co.
Manitoba Paper Co.
Lake St. John Power and Paper Co.
Nashwaak Pulp and Paper Co.
Provincial Paper, Ltd.
Howard Smith Paper Mills, Ltd.
Canada Paper Co.
Hinde and Dauch Paper Co.

Combustion Engineering Corporation Limited
Power Plant Equipment
MONTREAL, TORONTO, WINNIPEG, VANCOUVER

Committee Reports Detail Continued Progress for Year

Hereunder Will be Found Reports Presented for Consideration to Members at the Association's Annual Meeting

Research Institute

Report by F. A. SABBATON, Chairman of the Committee

Immediately following the last annual meeting of the Canadian Pulp and Paper Association, the joint committee in charge of the administration of the Pulp and Paper Research Institute was reorganized, McGill University being invited to appoint two representatives to serve thereon. The University named as their representatives Dr. F. M. G. Johnson, head of the Chemistry Department, and Mr. A. P. S. Glassco, secretary and bursar. The committee, therefore, now comprises representatives of the Dominion Government, representatives of the University and representatives of the industry, as was originally planned.

The committee has held monthly meetings throughout the year at which reports have been received from Dr. H. Hibbert, in charge of the university's activities in the institute, and from Mr. E. P. Cameron, in charge of the Government's work. The committee has also supervised the expenditure of the appropriation allotted by the association for carrying on the work.

In our last annual report, it will be recalled, our committee asked for authority to incur an additional expenditure of not to exceed $10,000 for the purpose of engaging a research specialist for the pulp and paper division of the institute. While considerable effort has been expended in search of a desirable appointee for the post, none has yet been decided upon. Your committee, however, are still convinced of the desirability as well as the necessity for such an appointment, and, in consequence, request that the authority given at the last annual meeting be renewed for another year, this amount to be additional to the $20,000 annual appropriation now provided.

Plan Definite Programme

Much of the time of the committee during the year has been occupied in formulating, in co-operation with the technical section of the association, a definite programme of work to be carried on by the pulp and paper division. This has now been achieved. The experimental plant has been brought into complete operation and the way been cleared for active work all along the line. The annual report of the director is submitted herewith as a part of this report.

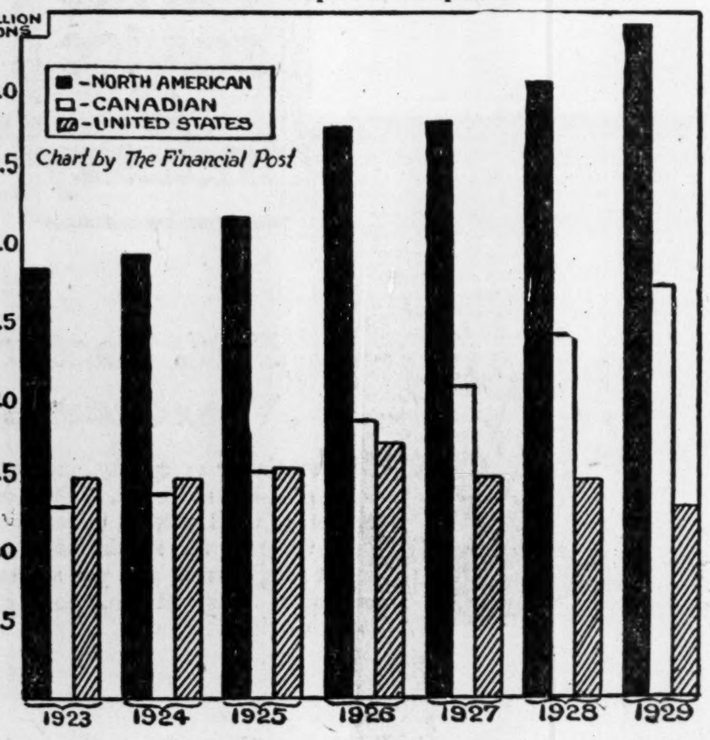
The McGill Department of Industrial and Cellulose Chemistry, under the direction of Prof. Harold Hibbert, has also made marked progress in the development of its work. The department is, however, handicapped for want of adequate funds. The Canadian Pulp and Paper Association at present contributes $7,500 a year toward the support of the department. Dr. Hibbert is asking our committee to arrange for an additional grant next year of $11,000. A copy of Dr. Hibbert's report is appended hereto and its study recommended both to the executive committee of the association and to the individual members.

Look for Benefits

We wish to record the optimism of the committee members, representing each of the three co-operating parties, in the eventual ability of the organization in charge of the research institute to produce results that will be of material benefit to the pulp and paper industry. In order however, that these results may be forthcoming, it must be borne in mind that the institute should have not only the continued financial support of the industry but the whole-hearted co-operation of the executives of the contributing companies. Without such co-operation it will be impossible to gather together a personnel capable of handling this work in the intelligent way in which it should be handled, and in obtaining from the research departments now connected with the individual companies such information and assistance as will make this co-operative effort the success that it is capable of being made.

During the past year, which has been largely devoted, as previously explained, to perfecting the process of organization, it has become quite evident to your committee that additional financial support for the work is required, and for that reason we recommend that authority be given to your committee to incur obligations to the extent of $20,000 a year, if and as such expenditure in their opinion becomes necessary and expedient. The $20,000 is inclusive of the $10,000 asked for last year and allotted but not drawn upon.

How Canadian Newsprint Output Has Grown



As recently as 1925, Canadian newsprint production was lower than that of the United States. Chart shows Canadian production in relation to that of U.S.

Forest Products Laboratories

Report by E. P. CAMERON, Director, Pulp and Paper Division

The development of the division has been largely centred in the following major problems:

(1) Development of "Research Programme."
(2) Development of staff.
(3) Completion of the experimental mill installation.

While these problems have underlain the operation of the division throughout the year, it has functioned as an active research organization throughout the period. The field of work covered has been a continuation of these problems, which have been active throughout the last two or three years. The progress made has been reported upon from time to time throughout the year and the results condensed and prepared for publication in Research Notes. The issue of Research Notes containing these articles will be available for distribution prior to the annual meeting of the association and will contain some seventeen articles prepared by members of the staff on their work.

Closely associated with this work has been the development of the new "Research Programme." This work has been carried out in conformity with a preconceived system of development, organized by the technical section of the association. This system has worked very well and representative of the last phase of the development there will be distributed, a full week prior to the meeting, mimeographed copies of the "Research Programme," in which the various investigations are analyzed and fully discussed. In this way, it is hoped that everyone interested in the work of the division will become fully informed as to the intended fields of work and will take an active interest in their discussion and development.

Staff is Growing

Throughout the period of building construction and machine installation no attempt was made to build up the operating staff of the division. Emerging from this condition throughout the year just passed, the business of assembling a competent operating staff was undertaken as a problem of primary importance. Entering the year with a technical staff of six men, we have at the present time a staff of thirteen, with six additional appointments to be made early in 1930. This technical staff together with the office and mechanical staff make a total complement of some twenty-nine staff members for 1930.

The largest undertaking and certainly the most difficult in some ways has been the completion of the experimental mill. This undertaking has proved itself to be entirely out of proportion to what was originally anticipated and consequently has absorbed time, labor and material to a disconcerting degree. Analyzing the causes for this condition as exemplified throughout last year I feel that it has been due almost entirely to two factors, first the receipt of additional equipment with its consequent consumption of time, labor and material for installation, and second, the impossibility of estimating the great amount of small detail necessary to bring a machine into proper operation once having accomplished its major installation. At this time the mill is in complete operation save the digester room, which has been delayed through technicalities outside of our immediate control. It is contemplated that this unit will be in operation prior to the annual meeting.

Imports of Canadian Wheat Off

Imports of Canadian wheat into the principal northern border ports of the United States during the week ended December 14, totalled 27,000 bushels, against 130,000 bushels the preceding week. All imports were into bonded mills for grinding into flour for export.

Wrapping Paper

Report by F. J. CAMPBELL, Chairman of the Committee

Business conditions in Canada during 1929, were, generally speaking, satisfactory, although there was some recession towards the end of the year. This situation was of benefit to the wrapping paper mills, which experienced a satisfactory year with good distribution and production well maintained at reasonable levels.

Consumption of wrapping paper was at a little higher rate than in the previous year. The harmonious relations between producers and distributors and the generally satisfactory state of the market were factors in the stable conditions that prevailed during the year.

Canadian exports of wrapping paper were somewhat smaller in 1929 than in the previous year, there being a decline in the shipments to England and South Africa which was only partly offset by an increase in shipments to Australia.

Production of the mills reporting to the Association in 1929 showed an increase of 15 per cent over the 1928 figures for kraft, mill wrappers and miscellaneous wrappings.

The outlook for the coming year is not so clear as it was at this time last year. It is probable that there will be a slackening of business in the early months due to circumstances which are well known to all, but for the year as a whole it is likely that an optimistic view is justified.

Tissue Paper

Report by G. CARRUTHERS, Chairman of the Committee

Of the six paper mills which were manufacturing tissue in Canada at the beginning of last year, one was destroyed by fire, and, according to reports, is now being rebuilt, another has been converted for the manufacture of other lines. This leaves four tissue mills in actual operation in Canada at present.

The Canadian tissue production for 1929 was 4,276 tons as compared with 3,983 tons in 1928. The shipments for 1929 total 4,253 tons as compared with 3,958 tons for 1928.

As was noted last year, the importations into Canada both of flat tissue and paper for waxing are still considerable, the quantities so imported in 1929 being greater than in the previous year.

Throughout the year prices on a number of lines have been reduced, and competition has been keen, but the volume of business was fairly satisfactory.

The output of tissue paper specialties has been well maintained and the general outlook is promising.

Coated Paper

Report by F. C. McELROY, Chairman of the Committee

During the past year this section held six meetings. This was as often as the members could conveniently get together and was frequent enough to deal with the business of the section.

The principal work done during the year has been the completing of certain changes in standards along the lines of simplifying the range of weights and sizes, and also standardizing various products throughout the industry in Canada. Considerable work has also been done to complete a better understanding of coated products among the merchants in order that a greater volume could be marketed through them to mutual advantage. It was felt in the past that the paper merchants were not obtaining the business in coated products which they should have done and that this was leading to substitution of uncoated papers with consequent loss of business to the coating mills. However, I am glad to say that the situation is greatly improved and the relations between the merchants and the mills is now considerably better than it has been for some years.

Situation Over Emphasized

The question of importations of coated papers has been given considerable study during the year. While the Government statistics show a large increase over the preceding year, the actual situation is not as bad as the returns would seem to indicate. This year's statistics include some items which were not included in the figures given for last year. However, there is no doubt that the imports for 1929 have increased by a volume which would be very beneficial if placed in the Canadian coating mills.

In spite of this increase in imports, the industry records a slight increase in tonnage in both production and sales over 1928. This increase is encouraging since it shows that we are holding our own, but it is not in keeping with the growth of the country which should warrant an increase in our production of at least five per cent.

For the new year it is essential that every effort be made to increase the field for Canadian coated products and to facilitate their marketing; also that the matter of importations must be carefully studied with the object of preventing foreign coated papers being brought into

(Continued on page 22)

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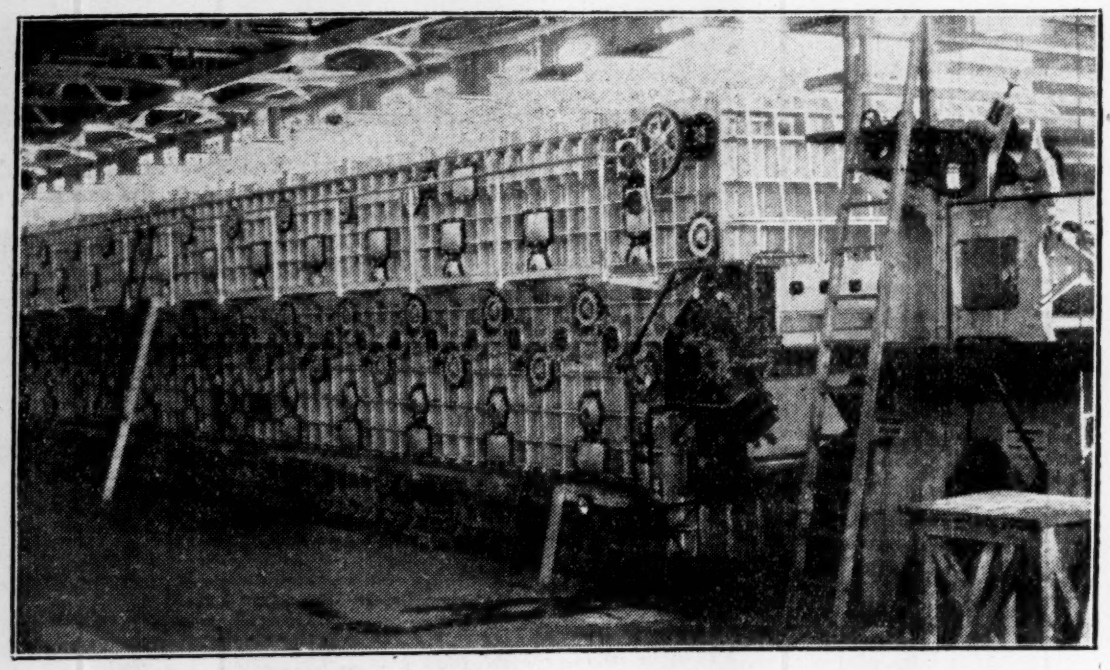
THE MINTON VACUUM DRYER



The Most Recent Installation of the Vacuum Dryer

The above machine contains 26-5' diameter by 144" face dryers and is now in commercial operation producing over 100 tons of 100% air dry sulphate pulp.

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In pulp drying where pulp is dried in the absence of oxygen at a temperature of 100°F., thus preventing the deterioration usually found in drying at comparatively high temperatures in the presence of air.

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WITH Midas-like hand nature has touched the rocks and forests of Canada and figuratively turned them into gold. But the key to this fabulous wealth has for centuries past remained hidden within a myriad of nearby silver streams.

Only in recent years has man discovered the secret of harnessing the waterfalls of these rivers and obtaining the necessary power to unlock Canada's great treasury of pulpwood and mineral riches. Today with the magic touch of electricity Canadian mines each year add two hundred million dollars to the nation's wealth, while her forests annually increase the Dominion's exports by 150 million dollars.

Pulp and paper is now the most important manufacturing industry in Canada, utilizing more than one-quarter of the total developed water power in the country, and producing more newsprint than any other nation.

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Because water power is conveniently located to the sources of Canada's raw materials, electricity assists in almost every new development of our mines and forests. As the adventurous prospector uncovers more natural riches, mighty power projects become economical and in these the Canadian General Electric Co., Limited, plays a vital part. By furnishing electrical apparatus of every conceivable type C.G.E. has contributed much to the outstanding success of Canada's mining and pulp and paper industries.

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Committee Reports
(Continued)

Coated Paper
(Continued from page 21)

Canada at such prices and under customs classifications which are unfair, and in order that wherever possible legitimate foreign competition may be met by the Canadian mills so that the business can be retained in Canada.

Standard Products Needed

From a study of the needs of the converters of our products, we will realize the necessity for meeting their requirements in order that they may use more coated products. Standardized products throughout our industry are absolutely necessary in order that the converter may use them freely without fear of trouble. Many converters are prejudiced against using coated papers partly because they do not thoroughly understand the proper handling of them and partly through unfortunate experiences they have had in the past. This prejudice is a serious handicap to our industry and we must do our utmost to overcome it. I am informed that the research branch of our association hopes to detail a man for the purpose of working on problems of converters of papers. These problems must be brought to them in order that they can solve them, and it is our duty as well as our privilege to submit every problem in connection with the converting of coated products as well as any problems we may have in their manufacture. With this assistance we will have no excuse for turning out other than first class products suited in every way to the converters' requirements and should be able to give valuable assistance to help the converters solve their own problems.

We have an opportunity to put coated products in first place where they should be and to redeem any deficiencies of the past. It is only by these methods that we can expect to increase our volume and reduce our costs of production so that the industry may show better net results for 1930.

Waxed Paper

Report by J. R. MARSHALL, Chairman of the Committee

The year 1929 has seen a further reduction in the number of waxed paper establishments, which is indicative of the limited amount of waxed paper used in this country with its small population and that predominantly rural.

The existing plants in our industry have equipment sufficient to take care of a population of at least twice our present population, with the result that business is highly competitive and prices naturally under such conditions are such as to permit only efficiently equipped and well managed plants to make a fair profit.

The consolidations and mergers in many branches of trade have had a great bearing on our industries. The number of buying units are becoming smaller and it is becoming more and more difficult to maintain an even balance or distribution of business. Any marked increase in our industry cannot be looked for until our industrial population has vastly increased, thus creating a greater demand for our products.

In the meantime it is gratifying to note the gradual improvement in the spirit of co-operation among those engaged in our industry and the desire of all the manufacturers to aid in every way for the betterment of trade conditions.

Felt

Report by W. E. WALKER, Chairman of the Committee

As forecasted in last year's report, building throughout Canada continued very active, with the result that a larger amount of felt paper was used, showing a healthy increase over the year 1928.

In my opinion, Canada has only commenced her era of development and I look forward to a steady increase, year by year of the use of tarred and especially asphalt roofings, which are now being produced in many color effects, which will lend themselves to any type of building.

Great improvement has been made during the last year or so in producing felt paper to specification as to saturation and tensile strength, etc., and these results can be obtained through mechanical process with cheaper raw material. The result of this means cheaper felt, cheaper and better roofing, and greater felt production at lower cost.

Sulphite Pulp

Report by A. CROSS, Chairman of the Committee

The sulphite mills report a year of steady business with prices fairly well maintained, production being well ahead of the output in the previous year. During 1928 the strike in Sweden had curtailed production, and as demand was good the year 1929 began with only small stocks on hand so that the mills were able to dispose of their product without difficulty and fairly stable conditions prevailed.

Production of paper, both in Canada and in the United States was greater than in any previous year and the output of sulphite pulp increased correspondingly. Several new mills were added to the sulphite capacity of the United States and Scandinavian; others are projected for the coming year.

At the present time there is some uncertainty in the situation in Sweden owing to the fact that the agreement between employers and pulp mill workers expires at the end of January and the workers are asking for an advance in wages which the manufacturers are unwilling to concede. Negotiations have been carried on for some time, and probably there will be no interruption of operations.

Exports Are Smaller

Total Canadian exports of bleached and unbleached sulphite in 1929 were somewhat smaller than in the previous year, the increase of 6,000 tons of shipments of bleached pulp being more than offset by a decline of 14,000 tons in exports of unbleached pulp. Total exports of sulphite amounted to 415,939 tons, of which 332,727 tons, or 80 per cent, went to the United States.

The world demand for rayon or artificial silk continues to increase and with it the demand for bleached sulphite. In this respect Canada is maintaining her position, our exports of bleached sulphite having grown steadily for several years past.

At the beginning of the new year, the statistical position of the industry is good, and while the general business situation on this continent is not quite clear, underlying conditions are such that an expectation of satisfactory business seems justified.

Chemical & Physical Standards

Report of Committee to Chairman and members of the Technical Section of the C.P.P.A.

The work carried on by your Committee during the past year has been a continuation of that reported in 1929, namely, the establishment of a standard method for the determination of the initial strength of pulp.

Two events of major importance are to be noted in relation to this work, namely, the adoption by the Paper Makers' Association of Great Britain and Ireland of the method developed by the Pulp Evaluation Committee of that body and the establishment of a Fellowship by the Newsprint Service Bureau at the Madison Laboratories to further develop the method of testing conceived by Mr. C. C. Heritage of that organization. It is also to be noted that the Committee on Physical Standards, T.A. P.P.I. have been active throughout the year on the further development of the tentative standard method already before that body for adoption.

These various activities have all affected the work of your Committee and while the developments have been followed as closely as possible, no investigational work has been undertaken. We have, as you know, a tentative method adopted as such by the Section and the policy of your Committee has been one of following developments rather than of further complicating an already complicated situation by added independent investigations.

Briefly reviewing the situation as it stands at present we find a definite tendency to depart from the conception of an international Standard Method. The action of the British Association and the sympathy accorded it by the Scandinavian Countries, has complicated International Standardization considerably. At the same time the lack of unanimity of opinion throughout the States as to the definition of a Standard Method has made such action necessary. We, on our part, have been more closely allied to the American Association than to the British, largely due, no doubt, to our closer affiliations.

The policy adopted by your Committee throughout the past year would seem, perhaps, the best under the present circumstances, the resources for investigational work available to the Committee being devoted to particular studies of either one or other of the methods as is desired either by the Committee concerned or by ourselves. When the present work under way has been brought to completion and reported upon, it would then seem timely for this Committee to thoroughly investigate the various methods in current use to accomplish if possible a concensus of opinion as to an international method or to define accurately the standard method proposed for adoption by the Canadian Association.

Paperboard

Report by F. R. THORN, Chairman of the Committee

The improvement in the paper board industry, which was evidenced in this section's report for 1928, has continued during the year now past.

There has been a united effort by members to stabilize conditions and the broad spirit of co-operation developed has made possible the complete absorption of the new production with very little weakening of the technical market position.

It is regretted that the uncertain conditions prevailing in the United States board market have made it impossible to reduce the imports of board into Canada. Every effort is being made to reduce the volume of importations and to make certain that all importations of board are properly appraised and are not undervalued.

It is expected that the increase in consumption of boards will continue, and this increase helped by the present strength of the section justified a hope that the board industry in 1930 will show better results than it has for some years past.

Mechanical Pulp

Report by A. S. McNICHOLS, Chairman of the Committee

The market for the sale of groundwood experienced some slight improvement during 1929, which made itself felt in the latter part of the year due to dry weather interfering with grinding operations in the United States.

It is the first time in five years that the groundwood market has enjoyed (the word is quite apt) an active spot market and higher prices. Shipments of groundwood to the United States for eleven months, ending November 30th, 1929, amounted to 168,005 air dry tons against 148,933 a.d. tons for the corresponding period in 1928, showing an increase of 19,072 tons.

Exports Grow Smaller

Exports of groundwood from Canada over the last five years are given hereunder:

	To U.S.A. Tons a.d.	To U. Kingdom Tons a.d.	Total Tons a.d.
1925	281,750	69,207	360,207
1926	258,527	109,957	382,078
1927	179,140	81,890	260,830
1928	*167,258	*36,414	203,672
1929 (11 months)	168,005	21,244	†194,949

*Figures for 11 months are: U.S. 148,953 and U.K. 34,759 tons.

†5,700 a.d. tons have been included in the total figure, representing shipments to France and elsewhere.

Shipments to the United Kingdom for eleven months show a falling off of 13,515 tons, compared with the same period last year; on the other hand, 2,996 tons were exported to France and 2,704 tons elsewhere, though no shipments were made to these countries in 1928.

Scandinavian producers are still laboring under the ill effects of overcapacity in production, and it is only recently that they have been able to curtail actual over-production through the organization in 1929 of a cartel composed of a majority of the Swedish, Norwegian and Finnish mills which have arranged to limit production to actual requirements.

Only Maintain Price

Though the Scandinavian cartel's efforts have proved successful in arresting declining prices, they have not (at least in appearance) made use of their organization to raise the prices beyond the figure at which the better mills were selling. They are now offering freely to sign up contracts for groundwood at £6.10 for 1930, and at £6.15 for 1931 deliveries, c.i.f. English or French Coast ports. These prices, after deduction of ocean freight, stevedoring and other handling charges, would net the Canadian groundwood producer, on an average, approximately $20.18 and $21.27 respectively per short dry ton, at wharf at point of loading.

As the above figures are subject to further reduction for hauling from mill to wharf, and for the agent's commission on sales, it will be seen that the future affords very little encouragement for a resumption of exports to England and France.

In closing these remarks, too much stress cannot be laid on the oft repeated experience that manufacturers of a semi-finished product, having little or no home market, and who rely mostly on exports for the bulk of their sales (and groundwood producers belong to this class), must necessarily consider themselves as operating under very precarious conditions. No matter what extenuating circumstances may be invoked, they are gambling against experience and fate. Therefore, the best efforts of every groundwood producer should tend toward carrying his operations one stage further, or else toward some form of association, or other permanent arrangement with the consumer of his product.

In the meantime, it may be well to keep in mind that the most effective manner of protecting the recently improved groundwood market is to keep it free from over-production: i.e., stored pulp.

Technical Council

Report of the Chairman to members of Technical Section of the C.P.P.A.

Your technical council have been very busy this year and have held numerous meetings; but, despite all their efforts and their good intentions they have not progressed nearly as far as they would like in the work they have undertaken. It should be remembered, however, in this connection that in the preceding year a reorganization of the council was effected whereby its membership was increased in numbers and a system of rotation in office set up thus, for the first time insuring a continuity of programme, personnel and work such as was impossible under the old system whereby an entirely new council was elected at each annual meeting. This has been found to be a very wise step and has enabled us to carry on with the work that had been planned and started by the council in 1928 without any interruption.

Immediately after the annual meeting last year your council got together for the purpose of selecting committees and developing a programme of work for the pulp and paper division of the Research Institute. The director of the division, Mr. E. P. Cameron had been pressing us for this programme; but in turn, we had to organize our committee which took some time to accomplish. Fortunately we found the men we had selected were agreeable to serving and the personnel of these committees in technical ability represents a very high standard as a reference to the roster will disclose.

In March the committees on groundwood and sulphite held a meeting for the purpose of discussing a programme. Two full days were occupied by their deliberations, with the result that very carefully considered programmes were built up. The committee on heat and power which met at the same time, came to the conclusion that there would have to be a more careful survey of the field before they could develop their programme. I am glad to say that they have since arrived at a definite understanding and are now submitting a most comprehensive report which shows tremendous study and investigation and which is in fact, a real contribution to the industry. The committee on wood measurements, which had already completed their task by turning in a final report at the last annual meeting, was relieved by the council of further work and thanked for their efforts.

The sulphite and groundwood committees in arriving at the conclusions already referred to had carefully analyzed the answers to the questionnaires that had been sent to all the members of the section and by which were aided in devising a comprehensive programme of work for the pulp and paper division. This programme was submitted to you at the summer meeting. Since then the committee have revised and elaborated their reports, which were then turned over to the Institute by the technical council. These reports I may say, represent the industry's views of the work which should be undertaken by the Institute and are so accepted by the Institute's officials. Copies of the reports are now in your hands. The success of this work, as indicated by the reports has been due to the fact that the members selected for its accomplishment were all fully qualified through familiarity with the problems and thoroughly imbued with a desire to play their part in advancing the welfare of the industry. While we have all realized how little definite data we possess regarding operating practices in our industry, this realization may be said to have crystallized very definitely in the minds of the members of the committee and in those of the members of the technical council, and to have indicated to them how very little related data has hitherto been made available to the industry. It also brought to the fore more than ever the necessity of the appointment of a technical secretary whose services will be available to collect, compile, and distribute this data so that it may become of use to the industry and also to the Institute. It is, of course, quite obvious that the Institute must have reliable related data, based on operating experiences in the industry, upon which to work. The work of the committees has been excellent in every respect and I hope it will be continued during the coming year.

The council have not, so far appointed a secretary, such as was decided upon a year ago. For this delay the chairman must assume responsibility. It has been due to two causes: first, it was felt to be inadvisable to proceed with our own appointment until the joint administrative committee, which directs the activities of the Institute had completed its own organization since it was felt that our executive officer should be one who should complement and dovetail in with that organization. The Institute staff is still incomplete, but in a fair way of being filled out shortly. The second reason for the delay was that we wanted to lay the groundwork of what we thought should be undertaken before selecting a man to carry on the active work on the section's part. We have now, however, arrived at the stage where the appointment becomes necessary and desirable from every point of view and we are asking the association to provide us with the required appropriation. Should this be granted, I have no doubt that the incoming executive council will fill the position without loss of time. Careful enquiry has been made and we believe we have the choice of more than one qualified appointee for the post.

It should be pointed out that the members of the technical section and the companies with which they are connected have a very definite responsibility in this connection, not only for the technical secretary and his work, but also for the work which is being carried on by the Institute. Everyone in this industry knows that we lack definite knowledge of related facts and that it is a real handicap to the progress of the industry. This want can only be filled by co-operation. Unfortunately there are some members, their number is not very numerous, who quite obviously, are disinclined to co-operate fully in exchanging and developing information. If only a minority of the members appreciate the value of building up this data into a more definite science, then, of course, neither the Institute nor the technical secretary will be able to render a full measure of service to the industry. On the other hand, if there is whole-hearted co-operation we can get much further ahead and that very quickly. It depends entirely upon the membership itself. There is nothing that the members of the council can do about that; they can only provide the machinery with which to carry on; the members as a whole must supply the rest.

Last year we had a very interesting and, I think, successful summer meeting. The combination of a day's meeting with the visiting of mills and the outing, in general, seemed to have worked out very well. I think it was agreed that those who were not there missed a real good time.

The idea of this year's programme of having an open discussion on groundwood and sulphite from the control point of view, I hope will be successful. At first, we had in mind inviting men who were interested in the manufacture of groundwood and sulphite to a meeting at the technical laboratories, but it was felt by the council that it would be much better to have that meeting held at this time when a larger representation could be present. We know that there is plenty to discuss and we also know that there are plenty of men in the industry capable of discussing these problems and, therefore, the combination of the two should make these meetings of unusual interest.

One of the out-of-the-ordinary events of the council's year was the receipt of an offer from Mr. A. A. Dawe, formerly secretary of the section and one of those who helped in its pioneer days, to donate a gold metal to be awarded annually to the member submitting the most important paper to the annual meeting. The trophy is to be known as the I. H. Weldon medal in commemoration of the late Mr. Weldon. The council took great pleasure in accepting the offer and the first of the series of medals is available to be awarded at this meeting. The council hopes and expects that the giving of this trophy will stimulate the members into producing many worthwhile contributions to our programmes and its award becomes one of the most important features of our meetings.

Woodlands

Report by R. H. NISBET, Chairman of the Committee

It is perhaps not realized that the cost of wood represents approximately one-third of the total cost of finished paper; and our Section believes that the technique of logging and forest management is just as susceptible of improvement as has been the technique of manufacturing. Accordingly, the Section will ask for further funds to continue its work in this direction, and it is felt that we will eventually be able to indicate improvements in logging technique which will substantially reduce costs, and in methods for the management of pulpwood lands which will help to ensure more permanence in the supply of raw material.

At the beginning of the year, the balance carried over from 1928 was $1,416.08. An additional appropriation of $7,000 was granted in January, 1929, and in May this was increased by $1,000, so that the total available for 1929 was $9,416.08. The expenditures in 1929 amounted to $9,253.70, and the year was concluded with a credit balance of $162.38.

The Section will require a budget of $19,000 for the development and continuation of its activities in 1930, and it is hoped that the Association will see its way to concur with this request.

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Newsprint machines built by Dominion Engineering Works since 1920 now total one-quarter of all those installed in Canada, and have a productive capacity of over one-third of the Canadian tonnage of this class of paper.

Dominion machines are also operating on practically every other grade of paper made in Canada.

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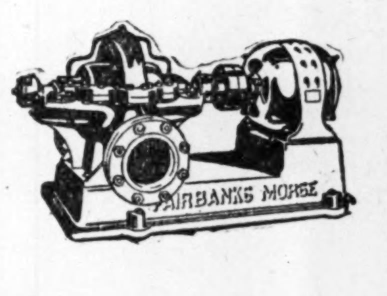
For a century Fairbanks Scales have been known for their enduring accuracy, and each one of the many types has been perfected in design and build, to weigh not only accurately but also to register clearly at the utmost speed. From tiny delicate balance up to huge track scale, the Fairbanks line includes scales for practically every weighing purpose.



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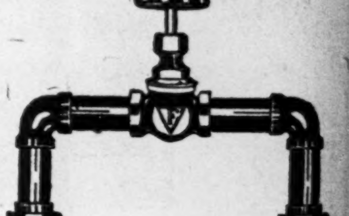

With complete stocks of practically every item used to control and regulate steam supply, including Fairbanks and Pratt & Cady Valves, we can meet the demands of a wide variety of services. Our men are experienced in supplying not only the appropriate single valve, but also every item of a steam line, complete to engineers' blue prints, numbered and ready to install.

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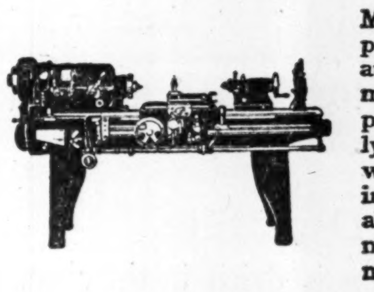

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WEIGHING OF WOOD LATEST MOVEMENT BY PAPER MAKERS

Early Results Demonstrate Advisability of Work

Address by GEO. A. BALKO, Canada Power and Paper Corp., delivered to Technical Section of C.P.P.A.

The problem of wood measurement for both weight and volume has been seriously considered by pulp and paper companies for a number of years and on various occasions several papers outlining the subject have been presented.

In 1923, the former Laurentide Co. started weighing all the chipped wood in transit to the sulphite process on a belt conveyor equipped with automatic continuously integrating weightometer. Prior to application for weighing chips, this design had been used as a weigher for ore, coal, grain, etc. This type of apparatus has now been installed for weighing wood chips by a number of mills in the industry. Mr. F. L. Mitchell, of the Abitibi Power and Paper Company Limited, submitted a paper on "Weightometer for Weighing Chips" at the Superintendents' Association Meeting at Marinette, Wisconsin, in September, 1929, in which he fully described the apparatus. Further comment is unnecessary other than to state that the machine has operated satisfactorily since its installation.

Since December, 1928, the four foot blocks of wood for the groundwood process have been weighed by a scale on the chain conveyor while in transit to the storage pile on the charging floor of the magazine grinders. This scale differs from the chip weightometer in that it operates on the principle of intermittently totallizing the load passing over it.

Difference is Slight

The scale weighing the four foot blocks in transit to the grinders has been tested several times each month. The method used is to pass approximately five to seven cord quantities of wood over it and to observe the additional weight recorded. This wood is then dumped at a place remote from all other wood and immediately weighed on a previously tested platform scale. The greatest error for these tests has been plus 2.19 per cent. The average results of these tests for the last six months were:

July	Average error Percent	+	.90
August	Average error Percent		0
September ..	Average error Percent	+	.69
October ...	Average error Percent	+	.24
November ..	Average error Percent	+	0
December ..	Average error Percent	+	.55
	Average for 6 months	+	.40

Make Commercial Runs

Three opportunities to make commercial run tests occurred during the year, when entirely peeled wood was delivered in railroad cars at the rate of mill consumption. The cars were weighed on the railway track scale previously mentioned. The volumetric measurements of the wood in the cars were computed in cords. For these observations, both the chip and four foot blocks weighers were used. The results obtained by the weighers as compared with the track scale were:

Duration of test in days	15	19	25
Total weight, tons (track scale)	6402	8637	15385
Difference with auto weighers (tons)	51.7	188.7	335
Per cent difference	.808	2.18	2.18
Total cords measured ..	3433	5055	10,553
Weight in lbs. per cord as received (Track Scales)	3730	3417	2916

Sampled for Moisture

To secure the data for mill production computations, the wood to each process is sampled for moisture tests several times each shift.

The groundwood production is computed from the four foot block weigher readings, corrected for the average error indicated by the 6-cord test previously outlined. The corrected weight is reduced to the air dry equivalent which is considered to be equal to the groundwood production. The total air dry weight divided by the cords as indicated by the grinder magazine counter readings gives the air dry weight per cord.

When the same type and quality of wood is delivered to both processes, the sulphate wood computations are made by multiplying the chip scale readings by the air dry ratio of the wood weighed by it which results in the air dry weight of chips delivered. This total air dry weight divided by the air dry weight per cord determined from the groundwood computations as described above, indicates the number of cords of wood chipped for the sulphite process.

Under conditions when the wood for sulphite is appreciably different from that for groundwood, racked cord weight measurements are made daily of the wood selected for sulphite. By dividing the weight per cord result of these tests into the chips weightometer readings, the cords of wood are computed.

These production computations supply the mill with comparisons. In addition to the weight figures the dry wood weight quantities for production and yield. Accounting department is also furnished with volumetric quantities of raw material used for block pile and logging division credits and raw material costs which are based on the value of a cord of wood.

Weighing is Worth While

The year's trial certainly has demonstrated the desirability of wood weighing. Variations in possible yield per cord of wood from different sources of supply can be observed daily and guess work is practically eliminated. The quantities of wood used in each process are known in both weight and volume with reasonable accuracy and the ratios of raw material to the manufactured products are definitely determined.

"We Have With Us Today . ."

Delegates from North, South, East and West Attend 17th Annual Convention of Canadian Pulp and Paper Association

Technical Section

Anderson, L. C.—St. Lawrence Paper Mills, Ltd.
Andrews, F. H.—Canada Power & Paper Corporation, Belgo Division.
Arbo, C. G.—714 Drummond Building.
Beck, Edward—Manager, C. P. & P. A., Montreal.
Brown, B.C.—International Paper Company.
Brown, H. C.—International Paper Company, New York.
Brosseau, Aug.—Bonaventure Pulp & Paper Company.
Buncke, H. J. Abitibi Power & Paper Co., Ltd., Toronto.
Burns, E. T.—Gatineau, Que.
Beauchemin, J. A.—Lake St. John Power & Paper Co.
Belanger, Rene—Quebec Pulp & Paper Corp., Chicoutimi, Que.
Bardsley, John A.—Abitibi Power & Paper Co., Ltd., Espanola, Ont.
Barry, T. M.—Spruce Falls Power & Paper Co., Kapuskasing.
Bergeron, C. E.—Port Alfred Pulp & Paper Corp.
Bryant, O. F. — Nashwaak Pulp & Paper Co., St. John.
Blinco, T. E.—Canada Power & Paper Corp, Laurentide Div.
Bay, Dr. Chr.—Can. International Paper Co., Hawkesbury.
Balko, Geo. A. — Canada Power & Paper Corp.
Copping, B. G.—Canada Power & Paper Corp.
Chalmers, J. G.—Bathurst Power & Paper Co., Bathurst.
Cook, A. S.—Price Bros. & Co., Ltd.
Claxton, Geo. — Canada Power & Paper Corp., Belgo Div.
Crabtree, D.—49 Parkside, Montreal West.
Copeland, I. H.—International Paper Company.
Crutchfield, H.—Brompton Pulp & Paper Co., Ltd., East Angus, Que.
Cuttle, W. G.—Ste. Anne Paper Co., Ltd.
Campbell, Dr. J. — International Paper Co., New York.
Calvert, D. G. — Abitibi Power & Paper Co., Fort William.
Campbell, W. Boyd—Forest Products Laboratories, Montreal.
Costigane, A. P.—Toronto.
Carruthers, Geo.—Interlake Tissue Mills Co., Ltd., Toronto.
Carruthers, Geo., Jr.—Interlake Tissue Mills Co., Ltd.
Candee, C. N.—Alliance Paper Mills Ltd., Merritton, Ont.
Crossley, T. Linsey—Industrial Laboratories, Ltd., Toronto.
Crabtree, E. S.—Bronson Company.
Day, J. C.—E. B. Eddy Co., Ltd., Hull.
Dodd, W. — Canadian International Paper Co.
Davis, M. W.—Wood Industries Supply Co.
Dawe, A. L. — St. Maurice Valley Paper Co.
Durand, E. — Port Alfred Pulp & Paper Corp.
Davis, A. — Canadian International Paper Co.
Emory, V. H.—Canada Paper Company.
Farnsworth, R. H.—Price Bros. & Co., Ltd., Quebec.
Foss, D. B.—Canada Power & Paper Corp.
Fowler, G. M. — Canada Power & Paper Corp.
Fisher, S. J.—Lake St. John Pulp & Paper Co.
Fayne, V. G.—Canadian International Paper Co.
Gatley, John — Canada Power & Paper Corp.
Grant, N. S.—Kenora Paper Mills, Ltd., Kenora, Ont.
Gain, C. Nelson—Interlake Tissue Mills Co., Merritton.
Goodwin, C. D.—Brompton Pulp & Paper Co., Ltd., East Angus.
Hatch, R. S.—Pulp Bleaching Ltd.
Hawkings, C. S.—Price Bros. & Co., Ltd.
Hovey, R. W.—Oxford Paper Co., New York.
Hill, H. S.—Price Bros. & Co.
Hyndman, E. D.—Brompton Pulp & Paper Co., East Angus, Que.
Hyatt, F. R.—International Paper Company, New York.
Hibbert, Dr. H.—McGill University, Montreal.
Heuser, Dr. E.—Canadian International Paper Co., Hawkesbury.
Hoover, Dr. G. I.—Howard Smith Paper Mills, Ltd., Montreal.
Hill, A. C.—Canada Power & Paper Corp.
Hogan, F. L.—Pt. Alfred Pulp & Paper Corp.
Johnsen, Bjarne—Hammermill Paper Co., Erie, Pa.
Jentz, Carl D.—Canada Power & Paper Corp., St. Maurice Div., Cap de la Madeleine, Que.
Jones, Col. C. H. L.—Mersey Paper Co., Liverpool.
Jennings, S. F.—Canada Power & Paper Corp.
Jones, Morris H.—Ontario Paper Co., Ltd., Montreal.
Kendall, L. E.—Abitibi Power & Paper Co.
Karberg, H. E. — Alliance Paper Mills, Ltd.
Kraske, Wm. E.—Pt. Alfred Pulp & Paper Corp.
Kidd, W. S.—E. B. Eddy Co., Ltd., Hull.
Kay, Stuart E.—International Paper Company.
Kelley, Leo.—Fraser Companies.
Kinsman, T. V.—Spruce Falls P. & P. Co., Ltd.
Keenan, Thomas J.—The Paper Industry, N.Y.
Kellogg, R. S.—Newsprint Service Bureau.
Keay, H. O.—Canada Power & Paper Corp., Laurentide.
Lane, E. G.—Can. International Paper Co.
Linsforth, A. S. — Empire Paper Mills, Ltd., Greenhithe, Kent, Eng.
LeBaron, K. S.—Can. International Paper Co., Three Rivers, Que.
McInnis, R. S.—Anglo-Canadian P. P. Mills.
McKeown, Jos. — Donnacona Paper Co.
McAdam, H. B.—Spruce Falls Power & Paper Co., Kapuskasing.
McKee, Geo. M. Jr.—Port Alfred P. & P. Corp.
Mason, J. O.—Canada P. & P. Corp., Laurentide Div.
Mitchell, F. L.—Abitibi P. & P. Co., Ltd.
Mosher, W. D.—Canada P. & P. Corp., Shawinigan Falls, Que.
MacNaughton, W. G.—International Paper Co., New York.
Macdonald, R. G.—T. A. P. P. I.
Munro, W. C.—Pulp & Paper Magazine.
Miller, R. N.—Oxford Paper Co.
Mitchell, Dr.—Central Alloy Steel Co.
Murer, P. J.—Can. Int. Paper Co.
MacDiarmid, A. A.—Price Bros. & Co., Quebec.
Millidge, B. D.—Howard Smith Paper Mills.
McLeod, D. L.—Price Bros.
Muirhead, A. G.—Price Bros.
Moyle, C. A.—International Paper Co.
Maynard, Alf.—Canada P. & P. Corp.
Patterson, J. E.—Abitibi P. & P. Co.
Panzl, Paul—Belgo Div., C. P. & P. Corp.
Prior, P. H.—A. E. Reed & Co., Ltd., Eng.
Parrett, A. E.—Ste. Anne Paper Co.
Parsons, J. L.—Hammermill Paper Co.
Papineau-Couture, A.—Montreal.
Pounsford, A. G. — Provincial, Pt. Arthur.
Reese, C. H.—Hammermill Paper Co.
Rhodes, Chas. F. — International Paper Company.
Read, D. E.—Inter. Paper Co., Gatineau.
Rue, John D. — Newsprint Service Bureau.
Spencer, H. S.—Howard Smith Paper Mills, Beauharnois.
Studley, G.—Anglo-Canadian P. & P. Mills.
Sisson, F. T. E.—Racquette River Paper Co., Potsdam, N.Y.
Slater, S. W. — Canada Power & Paper Corp., Cap de la Madeleine.
Shipment, L. H.—Abitibi P. & P. Co.
Strickland, V. S.—Spruce Falls P. & P. Co.
Stephenson, J. N.—Gardenvale.
Silver, T. E.—Abitibi P. & P. Co.
Schwalbe, Dr.—
Soucy, Jos.—Flo. Soucy, Quebec.
Thue, J.—Can. International Paper Co., Hawkesbury.
Thorne, C. B.—Can. International Paper Co., Hawkesbury.
Tatley, L. D.—
Timmis, H. G.—Canada Power & Paper Corp.
Trudel, F. X. — Canada Power & Paper Corp.
Thiele, W. F.—Consolidated Water Power & Paper Co.
Walton, J. M.—Can. Int. Paper Co., Temiskaming, Que.
Wiles, R. H.—Can. International Paper Co.
Ware, G. A. — Newsprint Service Bureau.
Walker, W. J.—International Paper Co.
Winterbotham, A. C. — Affiliated Eng. Co.
Wright, W. J.—Price Bros., Quebec.
Wynne-Roberts, R. I.—International Paper Co.
Wilen, K. G.—Wayagamack P. & P. Co.
Warburton, J. — Dom. Engineering Works.
Weldon, R. L.—Int. Paper Co., Newfoundland.
Wiggett, W. F.—E. B. Eddy Co.
Wilson, E. P.—Brompton.
Wallace, R. H. — Canada Power & Paper Corp.
Wardle, E. B. — Canada Power & Paper Corp.

Alden, C. W. — Nashwaak Pulp & Paper Co., St. John, N.B.
Avery, B. F.—Abitibi Power & Paper Company, Toronto.
Beatty, W. R.—Laurentide-Ottawa Power Company, Pembroke.
Bentley, A. W.—International Paper Co., of Newfoundland, Cornerbrook, Nfld.
Beck, Edward — Canadian Pulp & Paper Association, Montreal.
Black, J. R.—J. R. Booth Co., Ottawa.
Boisvert, G. E.—Ontario Paper Co., Quebec.
Brinckerhoff, H. E.—Canadian International Paper Co., New York.
Brolin, T. — Wayagamack Pulp & Paper Company, Grand'Mere.
Brown, Gordon—Brown Corp., Quebec.
Bubie, W. L.—Wayagamack Pulp & Paper Company, Grand'Mere.
Buchanan, W. — Brompton Pulp & Paper Co., Lake Frontier, Que.
Cadman, A. E.—Canadian Pulp and Paper Association, Montreal.
Carson, W. J. — Canada Power & Paper Corp., Grand'Mere.
Cosens, G. G.—Spruce Falls Power & Paper Company, Kapuskasing, Ont.
Cressman, H. B. — Wayagamack Pulp & Paper Company, Grand-'Mere.
Davis, C. B.—Abitibi Power & Paper Company, Iroquois Falls, Ont.
Delahey, W. A.—Canadian International Paper Co., Montreal.
Draper, T. E.—Canadian International Paper Co., Montreal.
Duschatel, J. A.—Quebec Forest Industries Association, Quebec.
Earle, T. W.—St. Lawrence Paper Mills, Three Rivers.
Fensom, K. G. — Forest Products Loboratories, Ottawa.
Fogh, J. F.—Canadian International Paper Co., Three Rivers.
Fries, J. W.—St. Lawrence Paper Mills, Three Rivers.
Gardner, C. A. — Provincial Paper Co., Port Arthur.
Gaylord, F. A.—A. P. W. Pulp & Paper Co., Sheet Harbor, N.S.
Gibbs, R. A.—Biological Dept., McGill University, Montreal.
Gilmour, J. D.—Anglo-Canadian Pulp & Paper Mills, Quebec.
Grace, R. L.—Canadian International Paper Co., Montreal.
Grant, N.S.—Kenora Paper Mills, Kenora.
Graham, A.—Quebec Forest Industries, Quebec.
Grimshaw, J. D.—Canada Lumberman, Montreal.
Hale, J. D.—Forest Products Laboratories, Ottawa.
Handford, R. J. C.—Howard Smith Paper Mills, Montreal.
Henderson, J. A. H.—Canadian International Paper Co., Montreal.
Jago, R. V.—Price Bros., Chicoutimi.
Johnson, V. E.—Canadian International Paper Co., New York.
Jones, C. H. L.—Mersey Paper Co., Brooklyn, N.S.
Kane, M. R.—Price Bros., Chicoutimi.
Kennedy, H.—E. B. Eddy Co., Hull, Que.
Kelly, J. L.—Price Bros., Chicoutimi. Que.
Kieffer, H.—Dept. of Lands and Forests, Quebec.
Kilby, W. H. — Canadian National Railways, Montreal.
Kishbaugh, W. — Abitibi Power & Paper Co., Toronto.
Koroleff, A. M.—Canadian Pulp & Paper Association, Montreal.
Lamothe, G. E.—Price Bros., Chicoutimi.
Lane, G. R.—Canada Power & Paper Corporation, Grand'Mere.
Lemieux, L.—Canada Pulp & Paper Association, Montreal.
Lyons, R. W.—Spruce Falls Power & Paper Co., Kapuskasing.
MacCormack, W. W.—Asst. Forester, New Brunswick, N.B.
McEacheron, W. H. — Spruce Falls Power and Paper Co., Kapuskasing.
McIntyre, K. C.—Ste. Anne Power Company, Beaupre, Que.
McKibbon, Professor R. R.—Macdonald College.
McKibbon, W. R.—Abitibi Power and Paper Co., Toronto.
Merchant, W.S.—Abitibi Power and Paper Co., Smooth Rock Falls, Ont.
Mereweather, C. R.—Canadian International Paper Co., Ottawa.
Michaud, J. A.—Port Alfred Pulp and Paper Company, Port Alfred, Que.
Miller, G. L.—Provincial Forester, New Brunswick, Fredericton, N.B.
Mitchell, J. F.—St. Lawrence Paper Mills Company, Three Rivers.
Munro, D. J.—Ste. Anne Power Co., Beaupre, Que.
Nisbet, R. H.—Price Bros., Quebec.
Nix, L. A.—Bathurst Power & Paper Co., West Bathurst, N.B.
Perrin, J. V.—Brown Corp.
Piche, A.—Dept. Lands and Forests, Quebec.
Prince, G. H.—Dept. Lands and Forests, Quebec.
Robb, W. D.—Vice-pres., Canadian National Railways, Montreal.
Rothery, J. E.—International Paper Co., New York.
Salkeld, W. B.—Canadian International Paper Co., Three Rivers, Que.
Scarth, Dr. G. W.—Dept. of Botany, McGill University, Montreal.
Schanche, H. G.—Abitibi Power and Paper Co., Toronto.
Schierbeck, Otto — Provincial Forester, Halifax, N.S.
Schmon, Capt. A. A.—Ontario Paper Co., Montreal.
Seaborne, R. L.—Mersey Paper Co., Brooklyn, N.S.
Soderstone, H. R.—Abitibi Power & Paper Co., Toronto.
Sorgins, H.—Canada Power & Paper Corp., Shawinigan, Que.
Sutherland, J. W.—Canadian International Paper Co., Montreal.
Thornton, Sir Henry — President, Canadian National Railways, Montreal.
Townsend, C. R.—Canada Power & Paper Corp., Grand'Mere, Que.
Tremblay, C. A. V.—Howard Smith Paper Mills, Sudbury.
Turner, J.—Montreal.
Wallace, J. R.—Canada Power and Paper Corp., Grand'Mere.
Westveld, M.—N.E. Forest Experimental Station, Amherst, Mass.
Williamson, W. J.—Canadian International Paper Co., Rockland, Ont.
Willis, J. — Canadian International Paper Co., Montreal.
Wilson, Ellwood—Canada Power and Paper Corp., Grand'Mere.
Wilson, J. O.—Anglo-Canadian Pulp and Paper Mills, Quebec.
Woods, F. J.—Abitibi Power & Paper Co., Toronto.

Mill Capacity Moves Upward

Approximate Output of Canadian Plants

	Tons Per Day
Abitibi	1,988
Anglo-Canadian	450
Bathurst	140
Beaver	76
J. R. Booth	158
Brompton	236
Canada Power	1,770
Canadian International	1,181
Donnacona	230
E. B. Eddy	127
Ft. Frances	259
Great Lakes	265
Kenora	245
Lake St. John	229
Mersey	250
News	35
Ontario	328
Pacific	252
Powell River	495
Price Brothers	936
St. Lawrence	470
Spruce Falls	400
Thunder Bay	225
Daily Capacity of Mills	10,745
Newfoundland Mills	788
Mexican Mills	67
United States Mills	5,636
Capacity of North American Mills	17,236
Production in December (Approximate)	15,420
Approximate Surplus Capacity	1,816

Projected Increases in Tonnage

New Tonnage	Tons	Scheduled
Canadian International	250	1930
Mersey	125	1930
James MacLaren Co.	250	1930
	625	

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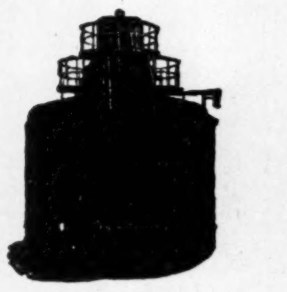

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4. Avoiding confusion in specifying.
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Committee Reports

(See also Pages 21 and 22)

General Education

Report by GEORGE CARRUTHERS, Chairman of the Committee, and T. LINDSAY CROSSLEY, Secretary of the Committee

Your Committee has pleasure in reporting interesting development in this important phase of Industrial Work during the year under review. In June last, with the Technical Section, your Committee visited the School of Pulp and Paper carried on at the Ecole Technique in Three Rivers, Quebec, by the Provincial Government. We were greatly pleased with this institution, its general equipment and the interest evidenced by its staff. Appendix 1 of this report is a summary of attendance for the last two years. It is of interest to note that gains in attendance makes it advisable to enlarge the building and increase the staff.

The School at Edmundston, New Brunswick, is carried on under the Provincial Vocational Schools Act with the co-operation of the Fraser Paper Company. A brief report of this School is Appendix 2. We call attention to the fact that this school is in its second year and that fourteen of the seventeen students of the first year continued into the second. Further, these men have completed Volumes I and III, most of Volume II and started Volume IV.

Your Committee met at Kent House, Quebec, in June last to consider in particular the correspondence courses of the Institute of Industrial Arts. Suggestions were made to Messrs. Harpell and Stephenson, who were present by invitation: First—to endeavour to arrange some courses which could be completed in, say eight months; and: Second—That a series of running commentaries or helps be prepared for men with limited education.

The Institute now announces that schedules of short term courses will be prepared for any special cases. Appendix 3 shows suggestions for two such cases. A series of commentary helps has been commenced and a few are now in use. As a result of Mr. Harpell's conferences with several Provincial Education Departments, we can note the following developments. In Ontario, under The Vocational Education Act of 1921, two groups or classes are studying correspondence courses in paper and pulp. One of these is in Cornwall, where twenty-five men from the Howard Smith Paper Mills are studying. Another is a group of six men from the Provincial Paper Mill at Mille Roches. A third group of twelve men is expected to take up work shortly at the Port Arthur of the Provincial Paper Company.

At St. Catharines, Ontario, a class is being carried on with well maintained interest at the Collegiate Institute, and includes students from mills at Merritton and Thorold.

The Manitoba Department of Technical Education purchases recognized correspondence courses from the Schools, which are then sold at half the cost to applicants. They will also in certain cases assist in the payment of teachers. Under this arrangement a group of twenty-four men of the Pine Falls Mills are enrolled. When papers are sent in to the School, they are graded and sent back to the Province. The Province then enters results, and returns them to the student through the local Instructor. This provides for maintaining a close record.

By-Product Electric Power Generation

Report of Committee to Chairman and Members of the Technical Section of the C.P.P.A.

We have always considered that Hydro-Electric Power in this country was cheap, so cheap, in fact, as to discount any other means of power generation.

Within the last few years, however, improved economy of steam generation and utilization have advanced to the stage where consideration must be given at least to that portion of steam power potentially available as a by-product of the Mill demands for process steam.

It is appreciated the economic objectives will vary with different mills, depending on mill location and local conditions. The general factors entering into the economic analysis are, however, essentially comparable—namely, the determination of the relative cost of generated by-product electric power vs. purchased electric power.

In order to bring this before you, we have considered this subject under two headings:—

1. Specific data of the By-Product Power possibilities to be realized by both increase of operating steam pressure and the expansion to such lower pressures as may be potentially available through improvement of process.

2. Data concerning the Turbine Manufacturers' Developments in this field and their present position relative to tailoring designs to best suit the particular operating conditions.

The Turbine Manufacturers, being asked to co-operate in obtaining of the above data, in general recognized the problems of the Paper Manufacturer, and gave evidence on their part of the development of many turbines of special type available to the Industry. It is our opinion that the requirements of the Industry do not require the development of commercial turbine types other than those already in use, but great responsibility lies with the Paper Manufacturers to be able to properly state their requirements and to know when such requirements are adequately met and fulfilled.

It will be our aim to survey the possibilities of a balanced 500 ton Newsprint Mill along the lines of the potential development of by-product power. Assumed conditions have been taken, as near as possible to the average for the Industry.

We believe this data will prove of real value to the Industry and, if so, the Committee's efforts in compiling same will have been well repaid.

Pulp and Paper Research Corp.

Report by C. H. L. JONES, Chairman of the Committee

The Canadian Pulp & Paper Research Corporation beg to report that all of the financial commitments in connection with the construction of the Pulp & Paper Research Institute have been met, the building itself completed, and that the sum of $7,520.52, representing the unexpended balance of the $50,000 appropriated at the last annual meeting, has been turned back into the Association Treasury in accordance with the terms under which the grant was made.

The total amount expended on building and equipment by the Corporation was $287,760.76, this being exclusive of the $100,000 allotted to McGill University as an endowment to be applied to the upkeep of the building.

Interest charges on the outstanding bonds, including bank charges, amounting to $19,448.62, have been met during the year, while bonds to the amount of $17,500 have been redeemed for the Sinking Fund. Through the generosity of the Canadian International Paper Company, Limited, and the Bathurst Power & Paper Company, Limited, the Corporation was enabled to save $1,400 in principal and interest in the purchase of these bonds and is pleased to take advantage of this opportunity to place upon record its gratitude to those companies for their assistance. The value of bonds now outstanding amounts to $315,000.

Appoint New Member

Under the By-laws one member of the Corporation retires each year, the retiring member this year being Mr. L. R. Wilson, who has given freely and unsparingly of his services since the Corporation's inception and before.

Under a resolution adopted by the Executive Committee of the Canadian Pulp & Paper Association, June 1st, 1928, this Corporation was constituted "a governing board to represent the Association in all matters affecting the operation and control of the Pulp & Paper Institute, including the appointment of a Committee as requested by the Research and Technical Sections." The latter clause refers to the Joint Administrative Committee which was set up a year and a half ago to supervise the operations of the Institute. This Committee is functioning satisfactorily to all concerned. It is our earnest desire that the members representing the industry on the Committee should continue in office. We urge this more especially in view of the fact that the work of the Institute is now at a stage which requires the careful oversight and direction that only experience with its affairs in their formative stage is competent to give.

Sulphite Pulp Findings

By O. F. BRYANT, G. P. GENBERG, S. V. HAWKINS, F. L. MITCHELL. Report to Chairman and members of the Technical Session of the C.P.P.A.

A meeting of the Committee was held on May 11th in Quebec for the purpose of discussing the scope of its activities and arranging a programme of work. The following members were present: G. P. Genberg, of S. V. Hawkings and O. F. Bryant. The Chairman of the Technical Section, Mr. R. A. McInnis, attended the meeting and outlined the ideas of the Council with regard to the functions of the Committee.

It was the general opinion that the work of the Committee should be as follows:

1. To act in an advisory capacity, through the Council to the Research Institute and to recommend to the Council problems to be investigated by the Research Institute.

2. To select certain problems in connection with the Sulphite Process and Equipment and, with the approval of the Council, to carry on investigations of these problems.

It was decided that the problems recommended for study by the Research Institute should be broad in scope and of such a nature that their solution would be of value to the largest number of manufacturers. It was also felt that the Committee would be well advised to submit a few broad problems on which the Institute could concentrate its activities with some hope for valuable results within a reasonable period of time.

The members of the Committee strongly recommended that a thorough study of the work already published be made in the case of each problem and that a resume of this work be drawn up and published. The Institute should also confer with other workers in the field to determine just what investigations of the subject under consideration were being made. This policy would avoid duplication of effort and the carrying on of work that had already been done or was in the process of being done.

Three problems were recommended for investigation by the Research Institute:

I. The Effect of the Physical Conditions of Wood Upon the Cooking Process

1. The effect of moisture content.
2. The effect of form and size of wood particles.
   (a) Should form and size vary with species.
   (b) Should form and size vary with density of the same species.

It is unnecessary to comment upon an investigation of the effect of the moisture content of the wood upon the cooking conditions, other than to recommend that the work of other investigators be given careful study and consideration.

The effect of form and size of wood particles upon the cooking conditions warrants thorough study. Such an investigation would cover sizes of wood particles from that of ordinary sawdust to oversized chips. The form of the wood particles should also be investigated and an effort be made to determine whether chips as now used are the form which affords the best results. It is within the realm of possibility that chips cut at different angles than those ordinarily used or even wood in the form of discs would offer greater possibilities. The effect of species and density on the optimum form the size of wood particles should also receive attention.

II. Study of the Bleaching Process

(a) Fundamentally.
(b) Experimentally.

A study of the chemistry and physics of the bleaching process should be carried on together with semi-commercial investigations of processes already in use and of principles discovered through fundamental studies. There is an extensive literature on this subject which should be given careful study and summarized before any experimental work is attempted.

III. A Study of the Roe Chlorine Number as a Measure of Delignification

Considerable work has been done on this problem and the results have appeared in various publications. However, this method appears to offer such a convenient means of measuring delignification that it warrants a very careful study.

* * *

The process problem selected by the Committee was the assembling of information on present sulphite cooking practice. This collection of information will be done by the Committee through questionnaires. The value of this work will, of course, depend upon the co-operation of the mills in supplying the information requested. After considerable discussion, it was decided to send the information in regard to sulphite cooking practice only to those mills that had contributed information.

It was intended to circularize the industry with a view to obtaining the experience the various mills have had with chrome-nickel-iron alloys, and also to take up with the manufacturers of screens the working out of standard methods for testing screens and rating their capacities. However, in view of the considerable amount of work entailed in assembling information on sulphite cooking practice and in formulating a programme for the annual meeting of the Technical Section, it was decided that this work could well be deferred to the following year.

Technical Section

Report by R. A. McINNIS, Chairman of the Committee

The Technical Section is pleased to be able to report a year of marked progress. The membership list has had a healthy increase and now numbers 300 in good standing, a gain of 30 over last year. This has been achieved in spite of a rigorous application of the rules prescribing qualification for membership. It indicates that membership is becoming more and more to be recognized as a mark of distinction and a gauge of professional standing in the industry. We claim the credit, as a Section, of being the most active branch of the Association, and certainly to have outdistanced the parent body itself in that respect.

The work carried on during the year has been a continuation of that planned and initiated by the Technical Council during 1928. Last year the Council was thoroughly re-organized. Its membership was enlarged and an arrangement adopted for a rotation in office, so that a continuous programme of work can be carried on without interruption. This was an important step and has already demonstrated its value. In 1928, as was pointed out in last year's report, the principal business of the Council was to assume responsibility, in conjunction with the Joint Administrative Committee, for a definite line of investigation work for the Pulp and Paper Division of the Research Institute. With the opening of the Institute last January, the Joint Committee and the Technical Section, together devised a satisfactory plan of procedure, by which they could co-operate with the Institute through the Joint Committee. It was quickly realized that the Technical Section would have to be the medium through which contact between the industry and the Institute would have to be maintained. In other words, in order to avoid duplication of effort, as well as to have the Institute apply its operations to problems of major importance to the industry, means had to be devised for securing the required information from the industry in concrete form, which at the same time would represent a definite programme of work for the Institute.

To accomplish this, committees were appointed to deal with Groundwood, Sulphite, Fine Papers, Newsprint and Heat and Power, respectively. The Section was extremely fortunate in securing the best type of men to serve on these committees, those who are active in the various operations of the companies and who are well qualified to discuss their problems. Meetings of these committees were held early in the year and a comprehensive programme of problems built up which, after analysis by the Technical Section, was turned over to the Institute. The Institute now has those problems. They have been dissected by the Director and his staff and work has already been started on them. Results will, it is anticipated, be forthcoming in due course.

Last year our Section asked the Association for authority to employ a permanent secretary to carry on its work and an appropriation of $10,000 was granted for that purpose. For various reasons our Section deferred making an appointment, although still of the opinion that such an executive would be a most desirable acquisition, both to the section and to the industry at large. We, therefore, request that the authority given last year and the grant of money accompanying it, be renewed.

Industrial and Cellulose Chemistry

By HAROLD HIBBERT

Report on Fundamental Work Carried Out in the Last Three Years, Submitted to Joint Administrative Committee

It was decided that until the new Institute was erected, most progress could be made by placing the chemists attached to the Pulp and Paper Division Forests Products Laboratory, under the charge of Dr. Hibbert for the purpose of carrying out a series of co-operative researches.

The Administrative Committee accepted this suggestion to concentrate attention on "Fundamental principles underlying the manufacture of Sulphite Pulp."

Lay Down Programme

A programme of work was submitted and accepted which embraced the following main lines of research:

1. The physical and chemical properties of the materials used in the manufacturing process.

This involved a determination of the "pressure-temperature relations" of sulphur dioxide and Mr. Campbell was assigned to this research under Dr. Maass.

As a result the industry is now in possession of this information and its value as a working tool has been acknowledged by such men as Mr. Hovey, Professor Keay, Mr. Tomlinson, Dr. Bates and other prominent technologists.

The other material employed is wood, and as no definite information existed regarding the structure and properties of lignin, pentosans and hexosans, which form roughly about 45 per cent by weight of the wood, a number of researches were started in order to throw light on these subjects.

Before accurate scientific work could be commenced it was obviously necessary to devise new methods by means of which such materials could be isolated in order to proceed with their identification and structure.

In addition to this, five or six researches have been carried out on the lignin thus isolated, a summary of which follows:

The nature of the reaction between hypochlorous acid and lignin has been investigated, from which it appears probable that not more than 15 per cent of lignin is of an "aromatic" type. Further, the interaction of hypochlorous acid with lignin has indicated a new line of attack to be followed in the bleaching of kraft, soda and sulphite pulps, and utilization, at least in part, of such principles is now being carried out on the commercial scale. The properties of lignin, such as the behaviour towards alkaline bisulphites and other salts, have been partly investigated although the results are not sufficiently complete to enable us to predict their bearing on the manufacture of kraft, soda pulp and sulphite pulp.

Of the other constituents in wood, namely, the pentosans and hexosans, the method of estimating these substances both in wood and in pulps left much to be desired, so that a thorough investigation was made on this subject by Mr. Fowler, the results of which have already been published.

The fourth constituent which is concerned in the manufacture of sulphite pulp is that of the cellulose itself, and as no information was available as to the action of sulphate cooking liquor on cellulose or purified wood pulp, it was considered very essential to obtain this knowledge.

Work is Summarized

Summarizing the work, it may be said:

1. Results of considerable value in enabling a better control of conditions existing in the manufacture of sulphite pulp have been definitely established by determinations of the pressure-temperature diagram for sulphur dioxide. It has been found possible to develop a general theory of the nature of the reactions taking place during the process and to show that certain features call for special attention:
   (a) The recognized temperature limit of around 120 deg. is one apparently in which important chemical changes take place, the true explanation of which should shortly be available.
   (b) It has been shown that products closely related to lignin sulphonic acids are very strong acids.
   (c) These strong acids, as well as the cooking liquor itself, are able to bring about marked decomposition and degradation of the pulp.

2. The quantitative estimation of pentosans in pulp has been carefully studied and reported upon.

3. A short study has been made of a comparison between alpha cellulose determinations developed by Dr. Ross and the method suggested by the Standardization Committee of the A.C.S.

4. A large number of investigations have been carried out on synthetic products having a bearing on the structure of cellulose.

5. The nature and structure of soda cellulose have been established.

6. Important investigations have been carried out in the departments of physical chemistry and botany respectively on penetration of liquids into fibres, especially wood. These are found to have an important bearing on the question of sinkage losses, pulping processes, etc.

Proposed Programme for 1930

It is intended to complete certain lines of investigations regarding the manufacture of sulphite pulp in connection with which further knowledge is desirable and necessary.

These embrace research work on:

(a) The reactions involved between alkaline bisulphites and both unsaturated aldehydes and lignin.
(b) The construction of an apparatus which will permit of electrical control of the sulphite cooking process on the lines of the work developed by Messrs. Hoover, Hunten and Sankey.
(c) The properties of lignin sulphonic acid.
(d) The structure of lignin, more especially its relation to oxidizing, reducing and nitrating agents, acids and alkalies.
(e) A study of the action of hypochlorites on lignin in order to compare the results with those of Taylor on hypochlorous acid and to develop a new method of bleaching.
(f) Methods for control of the reactions in the sulphite digester in relation to ultimate strength and other physical properties of the resulting pulp.
(g) The state of aggregation of cellulose in order to provide the fundamental data for investigation of (f).
(h) Application of the results already obtained on the constitution of soda cellulose to the phenomena taking place in sizing paper.
(i) Continuation of the work on the nature of the resins in Jack pine as applied to old Jack pine and to the nature of the pitch deposited on the wires and presses in the manufacturing process. Experimental work with a view to prevention of pitch trouble.

Need Technical Expert

This higher type should be a chemist who has already obtained his Ph.D. degree and who should therefore be much more capable of carrying out semi-independent investigations than are the post-graduate students studying for a degree.

It has also become quite evident that many of these researches could be carried out more quickly by having associated with us men whose chemical training has been more along physical than organic lines. Where such problems are of a strictly physico-chemical character, it would seem the best policy to have these students associated with Dr. Maass, whose active co-operation and kind assistance has been placed at our disposal since the commencement of this work.

February Dividend Payments

Summary of Payments

Dividends	$7,946,299
Bond Interest	11,865,952
Total	$19,812,251

Dividend Payments

Company	Rate	Date	Amount
Auto. Mus. Instr., A	25+5c	15	30,000
Do., Class B	5c	15	5,000
Beatty Bros., 1st pf.	1⅝%	1	20,312
Belding Corti. c.	1¾q	1	13,080
Blue Ribbon, pf.	1⅝q	1	16,250
Brading Brew.	50c.q	1	11,000
Brand-H. c.	½%q	1	5,899
B.C. Pulp, pref.	$1.75q	1	9,733
Brit. & For. Inv. c.	25c.	1	12,500
Bruck Silk Mills	25cq	15	25,000
Calgary Pow., pf.	1½q	1	60,000
Can. Bronze, c.	62½c.q	1	50,000
Do., pref.	1¾q	1	17,062
Can. Car, com.	44c.q	28	160,952
Can Converters	1¾q	15	30,335
Can. Dredge, com.	75c.q	1	64,686
Do., pref.	1¾q	1	5,104
Can. Oil, com.	25c.q	15	36,000
Can. P. & P. Inv., pf.	1¼q	15	31,250
Chase, A. W., pf.	2q	10	19,956
Cockshutt Plow	37½c.q	1	108,220
Collingwood Ter. pf.	1¾q	1	3,500
Cons. Sand. pref.	$1.75q	15	21,000
Cosmos Imp., pfd.	1¾q	15	25,803
De Havilland, A	25c	5	6,250
Disher Stl, 'A' pfd.	37½c.q	1	56,250
Distillers Sea.	25cq	15	375,001
Dodge Mfg., A	50c.q	1	9,000
Dominion Bridge	90c.q	15	369,393
Dominion Tar, pfd.	1⅝q	1	73,125
Enamel & Heat	50c.q	1	14,500
Fed. Grain, pfd.	1⅝q	1	48,750
For. Pow, Secs. pfd.	1½q	15	75,000
Foundation Co.	25c.q	15	21,150
Frost Steel, pfd.	1¾q	1	17,210
Do., pref. A	1¾q	1	8,750
Gen. Stl. W., pfd.	1¾q	1	78,750
Granby Cons.	$2q	1	900,000
Guelph Carpet, com.	25c.q	1	8,750
Do., pref.	1⅝q	1	16,250
Ham. Bridge, pref.	1⅝q	1	36,562
Hollinger Mines	1%	25	246,000
Humberstone Shoe	50c.q	1	10,000
Hydro-El. Sec. pfd. B	25c.	1	500,000
Imperial Bank	3q	1	210,000
Int. Nickel, pfd.	1¾q	1	484,100
Int. P. & P., A	60c.q	15	598,894
Inter. Paper, com.	60c.q	15	600,000
Inter. Utilities, pfd.	$1.75q	1	65,027
Kelvinator, pref.	1¾q	15	13,160
Langley Co., pref.	1¾	15	10,500
MacKinnon Stl. pref.	1¾q	1	10,500
Manitoba Power	1	1	150,000
Massey Harris, pfd.	1¼q	15	151,148
Mercury Mills, pfd.	1½q	1	15,000
Monarch Knit, pfd.	1¾q	1	13,125
Ont. Equitable	3s.	1	14,523
Ont. Steel, com.	40c.q	15	20,635
Do., pref.	1¾q	15	6,304
Pelissiers, pfd.	1¾q	1	7,875
Penmans, com.	$1q	15	64,518
Do., pref.	1½q	1	16,125
Prairie Cit. Oil, A	25c.q	1	12,500
Russell Motor, c.	1¼+1q	1	18,000
Do., pref.	1¾q	1	21,000
Serv. Sta. pf. & pf. A	1½q	1	43,278
Sec. Stand. Roy. pfd.	1m.	1	30,000
Simpsons, Ltd. pfd.	1⅝q	1	162,500
Do., Class A	50c.	1	60,000
So. Can. Pow. c.	25c.q	15	100,000
Stand. Pav. c.	50c.q	15	52,436
Do, pref.	$1.75q	15	26,250
Stanfords, 1 & 2 pf.	1¾q	1	12,250
Steel of Can. c.	43¾c.q	1	201,250
Do., pref.	43¾c.q	1	113,685
St. Law. Flour, pfd.	1¾q	1	10,062
Teck-Hughes	15c.q	1	716,571
Waterloo Mfg. A	25c.q	1	15,000
Weston, Geo., pfd.	1¾q	1	17,500
Western Stl., pfd.	1⅝q	1	17,875
Winnipeg El., c.	$1	1	200,000
Wood, Alex. & J. pf.	1¾q	1	11,375
Total			$7,946,299

Bond Interest Due in February

Company	Rate	Int. Date	Due	Amount
Algoma Cen. Ter.	5	•1	1962	$124,817
Anticosti Corp.	6½	15	1941	187,313
Belanger, A.	6	1	Serial	18,000
Bishop Realty	7	1	1947	10,500
B. C. Elec. Rly. deb. stk.	5	15	1944	93,362
Canada Bread	6	1	1941	29,994
Can. Machinery	6	1	1940	9,051
Can. P.&P. Inv. A	5	1	1958	62,500
Can. Foundries	6	2	1942	6,882
Carltn & Ch. Ter.	7	2	Serial	3,850
Can. Steam. debs.	5	15	1943	95,735
Can. Vickers, A.	6	1	1947	82,500
Consol. Inv. A.	4½	15	1959	337,500
Con. P. Prod.	6½	1	1943	19,223
Dis. Corp. of Can.	6	1	1942	3,750
Dom. Tel. Secs.	5½	2	1978	27,500
Donna. Pap. A.	6	1	1948	120,000
Do., 1st mtge. A	5½	1	1948	192,500
Drum. St. Realty	6½	1	1942	19,500
Drumheller Coll.	7	1	1943	17,500
Dryden Paper	6	1	1949	45,000
Federal Grain, A	6	1	1949	127,500
Frontenac Oil	6½	1	1947	32,500
Ham. By-Product Coke	7	1	1943	55,601
Holt Renfrew	6½	1	1937	16,932
Lake St. John Pr.	6½	1	1947	162,500
Do., mtg. deb. A	6½	1	1942	97,500
Low. St. Law. Pr.	7	1	1947	26,250
Mex. L. H. & Pr.	5	1	1940	279,812
Mtl. Rl. & W. Ter.	6½	1	1951	97,500
Mtl. Dry Docks	6	1	1948	19,845
Mt. View Apts.	7	1	1946	10,500
Nat. Grocers	6½	15	1932	53,966
Price Bros.	6	1	1943	371,376
Restigouche Co.	5½	1	1948	52,250
Starr Mfg.	6	1	1948	9,000
Suburb. Rap. T.	5	1	1938	12,500
Walmsley, Chas.	6	1	1943	26,940
Wayagamack	6	1	1951	121,671
Wolthausen Hat	7	1	1943	5,845
Wood, Alex. J.	6	1	1944	10,605
Zimmerknit	6	1	1948	22,500
Corp. Bonds				$3,120,070
Provincial				*3,199,082
Municipal				*4,062,500
Dom. Loan (1926)	4½	1	1946	1,012,500
Do., (1926)†	4½	1	1930	450,000
N.Y. Loan (1915)†	5	1	1935	21,850
Total				$11,865,952

* Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

† Payable in Canada and New York.

Mersey Paper Company's Steam Generators

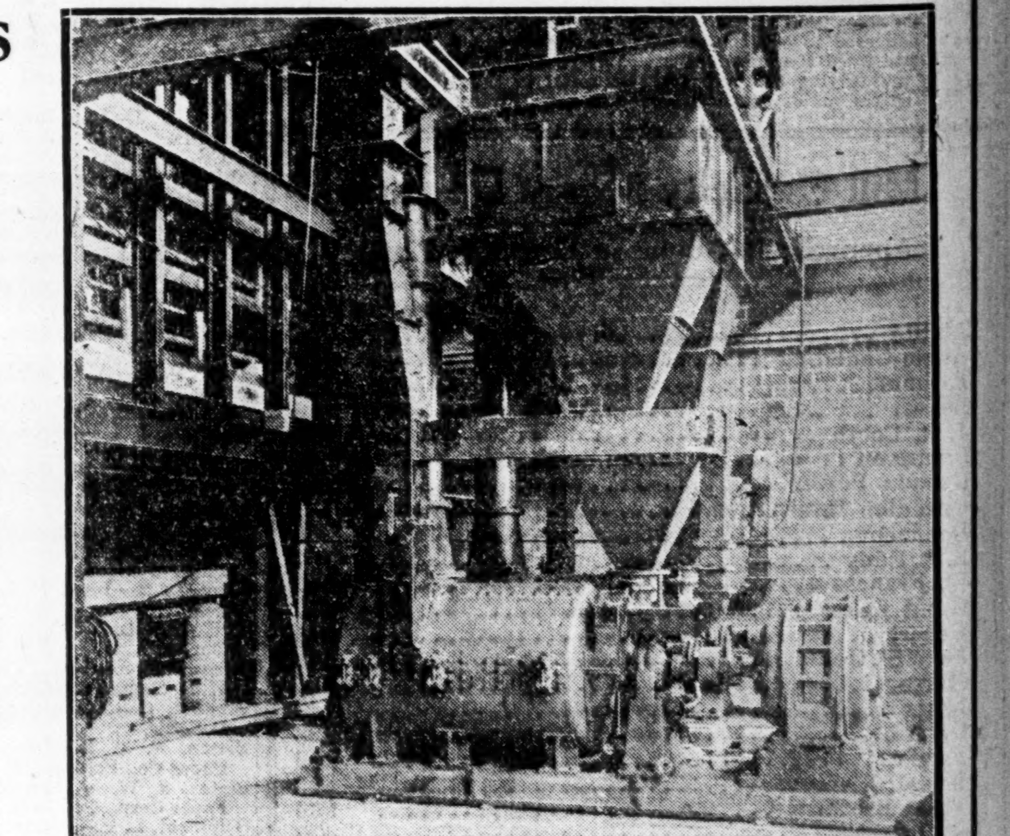
THREE 900 h.p. boilers constitute the steam generating equipment at the new newsprint mill of the Mersey Paper Company, Brooklyn, Queen Co., N. S. These steaming units are fired with pulverized fuel and equipped with superheaters, water cooled furnaces and air preheaters. They are designed to operate at an overall efficiency of 83.4 per cent.

The Aero Pulverizers shown in the accompanying illustration are so arranged that two mills fire each boiler. Compactness and accessibility are features of the pulverizer installation. The lump fuel is fed to the mills through the hoppers at the right of the pulverizer casings. Powdered fuel and air are delivered to the burners through the conduits at the left end of each pulverizer. Preheated air enters the pulverizers through the ducts shown connected to the casing and to the feed mechanism. Gases leaving the boilers pass through the Foster sectional preheaters which raise the temperature of the air to 394 degrees F.

Positive control of combustion and heavy steel construction make Aero an outstanding unit system for handling powdered fuel.

Foster superheaters add 100 deg. F. superheat to the steam when the boilers are generating 58,000 lb. of steam per hour.

Low furnace maintenance is assured by the installation of Foster water and air cooled walls.



Foster Wheeler Limited
Canadian Pacific Railway Bldg., Toronto
Canada Cement Co. Bldg., Montreal
Board of Trade Bldg., Vancouver

FOSTER WHEELER

Aggressive Organization Co-ordinates Activities Canada's Major Industry

Canadian Pulp and Paper Association Formed Before War

HOLDS ANNUAL MEET

Co-operation of Members Has Done Much for Progress of Industry

From Our Own Correspondent

Representing an industry that has a larger payroll, a greater invested capital and the second largest number of employees of any single industry in Canada, the Canadian Pulp and Paper Association is one of the most important groups of business men in the Dominion. The seventeenth annual meeting of this association has been held in Montreal and, as usual, has been productive of interesting discussions, constructive criticisms and a general interchange of ideas and goodwill.

Representatives of the Canadian Pulp and Paper Association are keen to realize their responsibilities. Enthusiastic co-operation has made the association what it is today,— a live, constructive and thoroughly useful unit in the pulp and paper industry of Canada.

The member companies give strong support to the executives with the result that when the association speaks, it speaks as one having authority. Thus, the discussions and speeches which have been made at the recent annual meeting represent the economic and technical views of those in close touch with the industry and are of interest to all business men.

The importance of the association cannot be minimized. It represents, in one branch, the greatest and most rapidly expanding of modern large scale manufacturing industries, namely newsprint, of which Canada produces a greater volume than any other country in the world.

The Canadian Pulp and Paper Association, however, is the trade organization of manufacturers of all kinds of paper and of pulp from which paper is made, together with many other articles based upon the pulping of various parts of fibre. Within the association there have developed some 15 sections representative of different branches of the industry, and functioning separately so far as the interests of those branches are concerned.

Quebec's Resources Favor Newsprint

Quebec's fortunate relationship between her pulpwood resources and available water power has been a strong factor in the development of the pulp and paper industry in the province. Estimated pulpwood resources in Quebec amount to 330,000,000 cords, while estimated hydro-electric energy totals 8,459,000 horsepower. On the other hand, Manitoba has an over abundance of water power in relation to her pulpwood resources while an opposite situation prevails in Alberta.

The position of each province is shown clearly by the following comparative figures:

	Estimated Pulp Resources Million Cords	Available Water Power at Ordinary Flow H.P.
British Columbia ..	290	1,931,000
Alberta	252	390,000
Saskatchewan	142	542,000
Manitoba	67	3,309,000
Ontario	200	5,330,000
Quebec	330	8,459,000
New Brunswick ..	85	87,000
Nova Scotia	28	20,800

Reaches Mature Age

The association was formed in 1913. Its aims are to promote the business of manufacturing pulp and paper in Canada; to improve the quality of the industry's products; to keep its members advised on new developments; to collect and distribute statistics on the industry, having relation to production, shipments, stocks in reserve, imports and exports; to assist in meeting transportation problems; to deal with questions arising out of the customs and excise laws; to watch legislation both in the Dominion Parliament and in the provincial legislature with a view to opposing any action detrimental to the industry and to advance the interest of the industry by proper advertising and publicity.

Issues Useful Reports

Further, it issues weekly and monthly reports on production, shipments, etc., covering all the varieties which its members are engaged in producing. It maintains by cable an interchange of information with the Scandinavian Celluloise Association and with pulp and paper producers of Great Britain, Sweden, Norway, Finland and Germany. Periodical reports covering these countries are regularly received and distributed.

In its endeavors to promote efficiency in the industry, the association maintains a Research section, composed of scientists and executives; a technical section, composed of the principal technical men in the mills and a Woodlands section made up of the leading woods experts of the industry. The latter section employs a forestry and logging expert who gives his entire time and services to solving the problems in this branch of the industry.

The association is soundly established from a financial angle. Income is derived from annual dues of members; the dues are based on the actual tonnage production of the member companies. Its income is expended in various ways. The association has spent large sums toward defraying the expense of a series of vocational textbooks intended to promote efficient workmanship in the mills. It is helping to maintain and carry on a correspondence course for mill operatives in which many students have enrolled.

A large sum is contributed yearly toward the maintenance of a chair of Industrial and Celluloise Chemistry at McGill University. A further sum is contributed toward the support of the pulp and paper division of the Forest Products Laboratories, maintained by the Dominion Government, and participates in the management and the work carried on in that unit.

Builds Fine Structure

One of the most important steps which marked the progress of the Canadian Pulp and Paper Association was the erection of a building in Montreal which provides accommodation for the Pulp and Paper division, the chain of Industrial and Celluloise chemistry and for permanent headquarters for the association itself. The sum of $350,000 was raised for this purpose and the building on University Street adjoining McGill University campus, is a monument to the aggressive spirit and efficiency of this co-operative body.

The structure comprises, in addition to an up-to-date cellulose research laboratory, a fully equipped experimental pulp and paper mill as well as commodious accommodation for the association's permanent staff.

Establishment of the Research Institute can be classed as an event unique in Canada, for no other industry in the Dominion has taken the keen interest in scientific research as that showed by the Pulp and Paper Association.

Holds Annual Meeting

The annual meeting of the association is held in Montreal in the last week of January each year. Between meetings, the affairs of the association are governed by an executive council comprising representatives of all branches of the industry. The following sections are included, each of which has its own chairman, holds periodical meetings, and functions independently in its own field:—newsprint, books and writing paper, felt board, coated paper, wrapping, tissue paper, waxed paper, kraft, chemical pulp and mechanical pulp.

Dawe Appointed Secretary

In 1917 A. L. Dawe was engaged as permanent secretary, and not a little of the subsequent progress of the association has been due to his energy and enterprise and to the working methods which he established. In 1921 Mr. Dawe was succeeded by the present secretary, Edward Beck.

Thanks partly to a steadily increasing co-operation by the members, the statistical and other bulletins issued by the association have increased year by year in number, scope and timeliness. The transportation department has handled a large number of cases, and has in many instances, secured adjustments of rates to the advantage of members. Questions relating to the tariff, the government regulations concerning forest conservation, the compensation of employees, and (during the war) the regulation of prices and deliveries, have engaged a great deal of attention and from time to time have necessitated the expenditure of large sums for the presentation of evidence and argument before governmental bodies. It has been generally felt by the members that these efforts and expenditures have been amply justified by the results attained.

The association's efforts to expand the market for Canadian pulp products have been continuous and energetic. One of the most notable results, and one for which the association may take a large share of credit, is the adoption of the preferential trade agreement with Australia, which has already added a considerable volume to the exports of Canadian paper, and provided a most valuable outlet for that part of industry situated on the Pacific Coast.

Paper Leader as President

The association has throughout its career enjoyed the advantage of having as its president one of the outstanding leaders of the industry. Included in the list is Carl Riordon, Riordon Pulp Corporation, Montreal, (1913-14); I. H. Weldon, Provincial Paper Mills, Toronto, (1915); J. H. A. Acer, Acer & Co., Montreal, (1916); C. Howard Smith, Howard Smith Paper Mills, Montreal, (1917); F. J. Campbell, Canada Paper Co., Windsor Mills, Que., (1918); J. A. Bothwell, Brompton Pulp & Paper Co., East Angus, Que., (1919); George Chahoon, Jr., Laurentide Co., Grande Mère, Que., (1920); P. B. Wilson, Spanish River Pulp & Paper Mills, Sault Ste. Marie, Ont. (1921); Geo. M. McKee, Port Alfred Pulp & Paper Corp., Montreal, (1922); H. F. E. Kent, W. J. Gage & Company, Toronto, (1923); George Carruthers, Interlake Tissue Mills Co., Toronto, (1924); Frank W. Clarke, Gulf Pulp & Paper Co., Quebec, (1925); L. R. Wilson Abitibi Power & Paper Co., Montreal, (1926-27)! Col. C. H. L. Jones, Mersey Paper Co., (1928-1930.)

B.C. Paper Exports Off for Past Year

From Our Own Correspondent

MONTREAL.—Export trade of British Columbia paper mills was not as active in 1929, as was the case in 1928, judging by figures compiled by the Vancouver Merchant's Exchange, which show total shipments of 254,001 short tons. This compares with exports of 301,211 tons in the previous year.

Actual figures for the past five years show a number of changes in the markets for British Columbia paper. The Argentine, which was one of the most important customers in 1928, dropped out of the picture in 1929. On the other hand pulp and paper was shipped to the United Kingdom for the first time last year. Shipments to China show an appreciable increase, while those to Japan are off.

Further particulars follow:

	1928	1929
Australia	14,550	21,480
Argentine	34,045	.....
Central & South America	1,667	14,677
Canada (eastern ports) ..	.....	2,130
China	35	1,870
Japan	57,230	45,526
New Zealand	20,548	9,525
United Kingdom	.....	1,728
United States	172,017	156,788
Other Countries	1,119	277
Total Short tons	301,211	254,001

Canada's New Industry Is Fundamentally Sound

Enters New Year With Manufacturers Receiving Less for Their Product Than Will Enable Them to Make Satisfactory Return

Report by P. B. WILSON, chairman of Newsprint Section, Canadian Pulp and Paper Association

The year 1929 has been a trying one for the newsprint industry in Canada. While production and consumption have increased, as shown later in this report, the prices received for the commodity have been inadequate. For the first time for many years prices have been quoted to publishers with freight allowed to destination, the country being divided into zones for this purpose, the publishers paying the same delivery price within each zone and the manufacturers carrying any difference in freight between one part of a zone and another.

In 1928 it was seen that more mills were being built and more capacity being provided than could be absorbed by the publishers, even allowing for a reasonable increase in consumption. The situation became so acute that with the approval of the premiers of Quebec and Ontario, the industry was organized under the name of the Newsprint Institute of Canada with a view to stabilizing production, dividing equitably the available orders amongst the mills and providing steady occupation in the communities which had grown up round them. The co-operation of the two premiers had a very beneficial effect and nearly all of the mills in Eastern Canada became members of the institute and shared equally between them the orders available.

Believing that their customers, the publishers, require a stabilized market for newsprint, manufacturers sought to meet this condition by offering three-year contracts at a fair and reasonable price which provided for a rebate of $5 per ton for the first six months of 1930 to meet immediate general business conditions. This proposal, however, did not meet with the general approval of the publishers as represented by the paper committee of the A.N.P.A. Some further effort should be made to bring the publishers and the manufacturers together in an arrangement designed to preserve for both that stability in a market in which they are mutually and vitally interested.

Non-profitable Product

The industry enters the new year with the manufacturers receiving less for their product than will enable them to make anything like a satisfactory return. Those who have given the subject fair and impartial consideration will readily concede that the prices current during the past year have fallen short of providing an adequate return to shareholders, and likewise have unfortunately failed to allow for proper depreciation of timber resources.

Fundmentally the industry is sound for the reason that here in Canada we have the raw material and the ability to manufacture it into a finished article for which there is a large and insistent demand.

The prospects for 1930 being equal to 1929 in consumption are good; consumption in 1929 was about eight per cent greater than in 1928.

Canadian production of newsprint in 1929 was greater than in any previous year and the total tonnage, amounting to 2,728,827 tons, was greater than the output in 1928 by 347,725 tons, or nearly 15 per cent.

Owing to the increased capacity, however, the mills were only able to operate at an average of 85 per cent of rated capacity for the year. The mills in the United States maintained production at close to the level of the previous year, there being a decline of only 1.8 per cent in the output, total production for the year amounting to 1,392,276 tons.

The production of the mills in Newfoundland also increased in 1929, output for the year being 225,000 tons as compared with 230,745 tons produced in 1928.

Canadian exports of newsprint for the year amounted to 2,510,634 tons, an increase of almost 15 per cent over the total for 1928. Of this amount, 2,173,087 tons were shipped to the United States, while overseas markets absorbed 337,547 tons, which is the highest figure ever reached for those markets. Shipments to England, 173,255 tons; Australia, 63,136 tons; South America, 50,904 tons, and New Zealand, 23,050 tons, accounted for the greater part of the overseas tonnage.

Six Machines Added

There was considerable expansion during the year and several new machines came into operation, while one new mill was erected. New machines were added by:

St. Lawrence Paper Mills ..	2
Price Bros.	2
Bathurst Power & Paper ...	1
Great Lakes Paper Co.	1

and the new mill of the Mersey Paper Company at Brooklyn, N.S., with an estimated daily capacity of 250 tons.

Under construction at the present time are the Dalhousie Mill of the International Paper Company and the mill of the James Maclaren Company at Buckingham, P.Q. The former will have an initial capacity of 250 tons daily and is scheduled to commence operation early this year; the latter will have a similar capacity and is expected to commence operation in the middle of this year.

880 Tons More

There is also under construction a new newsprint mill at Bucksport, Me., which is to have a capacity of 250 tons daily and is scheduled to be in operation early next year.

New Machines:

St. Lawrence	2—156 tons
Great Lakes	1—160 "
Bathurst	1— 70 "
Price Bros.	2—240 "
Mersey	2—250 "

Total addition to capacity, approximately 880 tons daily.

Canada's Newsprint Output and Exports

	1929: Tons	1928: Tons
Canadian production	2,728,827	2,381,102+15%
U. S. A.	1,392,276	1,417,572— 2
Newfoundland ..	255,500	230,745+11
Canadian exports:	1929: Tons	1928: Tons
To U.S.A.	2,173,087	1,934,889
England	173,555	130,700
Australia	63,136	48,808
New Zealand ...	23,050	17,267
South Africa ...	50,904	51,337
Total	2,510,634	2,206,587

Elect Bothwell President Newspaper Service Bureau

From Our Own Correspondent

J. A. Bothwell, of the Brompton Pulp and Paper Company, East Angus, Que., has been elected president of the Newsprint Service Bureau for 1930. A. E. McMaster, Powell River Company Limited, Vancouver, has been elected vice-president.

The executive committee is as follows: Chairman, J. L. Apedaile, Price Brothers, Quebec; A. R. Graustein, International Paper Company, New York, and W. H. Smith, Abitibi Company, Toronto; secretary-treasurer, Royal S. Kellogg, New York.

St. Lawrence Paper Preferred Widely Held

From Our Own Correspondent

MONTREAL.—Listing papers on the St. Lawrence Paper Mills preferred stock, admitted to trading on the Montreal Stock Exchange, bring to light several interesting facts on the distribution of the shares.

The 142,256 shares are distributed among 2,186 shareholders, of whom 1,981, or 90 per cent, own from 1 to 100 shares. There are 91 holders between 101 and 200 shares; 39 holders between 201 and 300 shares; 32 holders between 301 and 400 shares; 9 holders between 401 and 500 shares; 18 holders between 501 and 1,000 shares; while 16 holders own from 1,001 shares and up. Further it is noted that all of the shares of preferred stock are for sale, none being held by syndicate, agreement or control.

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Inquiries Invited

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SIX years ago the first experimental grinder was being built. Today 182 grinders are in operation producing over 25% of the groundwood pulp that is used in Canada for the manufacture of newsprint paper.

Abitibi Power & Paper Company, Ste. Anne Mill	12
Abitibi Power & Paper Company, Pine Falls Mill	12
Backus-Brooks Company, Kenora, Ont.	6
International Paper Company, Three Rivers, P.Q.	14
International Paper Company, Gatineau, P.Q.	24
International Paper Company of Newfoundland Ltd., Corner Brook	22
Port Alfred Pulp & Paper Co., Port Alfred, P.Q.	22
Price Brothers & Company, Kenogami, P.Q.	14
Price Brothers & Company, Riverbend, P.Q.	20
Spruce Falls Power & Paper Company, Kapuskasing, Ont.	16
Wayagamack Pulp & Paper Company	8
Mersey Paper Co., Liverpool, N.S.	12
	182

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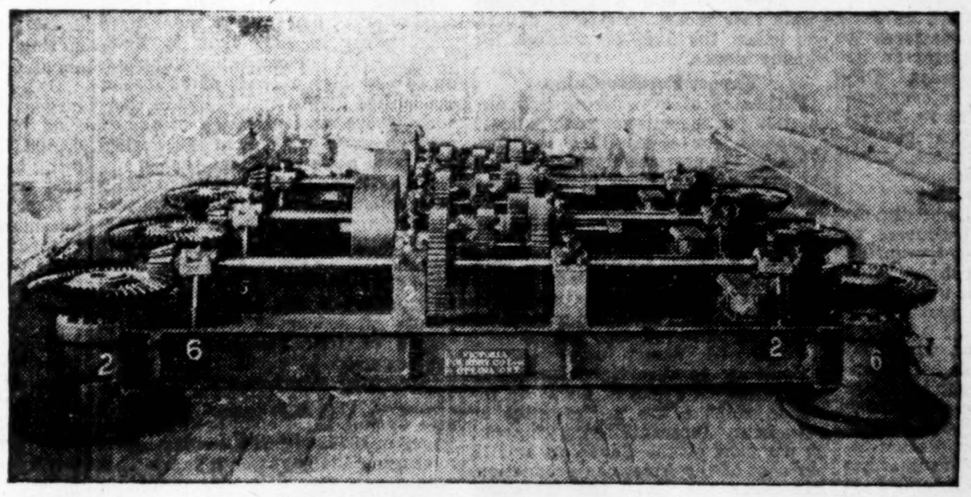

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OTTAWA, CANADA

Pulp & Paper Industry

Quebec Government Determined to Enforce Higher Newsprint Price

Restricts International's Cut in St. Maurice District

PLAN MORE MACHINES

Survey of Supply and Demand Still Shows Rated Capacity Too High

From Our Own Correspondent

MONTREAL.—Every effort is being made by the Quebec Government to induce International Paper Company to break its contract with Hearst for newsprint at $50 to $55 a ton. This is the statement made by Premier Taschereau to a delegation of pulp and paper workers, who called upon the prime minister seeking relief from the short working hours in the St. Maurice and Port Alfred districts.

It will be recalled that a meeting of representative newsprint interests and the Government was held recently, when the matter of bringing about a higher price for newsprint was gone into thoroughly. Some time before, members of the Newsprint Institute of Canada had announced an increase of $5 a ton, with a drawback of $5 a ton for the first six months of 1930, provided that the purchaser signed a three-year contract. International did not see fit to agree to this policy and the whole matter was temporarily dropped by the Canadian mills.

Restrict Timber Cut

No statement was issued following the Quebec meeting, but this week the premier gave indication that the Government was taking steps to bring International into line. In addressing the delegation of workers, he said: "We have refused the International Paper Company permission to cut trees under the prescribed size and we learn that 800 men will have to leave the bush in the St. Maurice district in consequence."

Just how much of a handicap this will prove to International is unknown, as it will all depend upon the Government's interpretation of the word "prescribed." In many other ways, however, the Government can make operations costly or inconvenient for International.

Whether such action will be successful in bringing International to raise the price of newsprint on its contracts remains to be seen. Offhand, the move to limit International's bush operations in the St. Maurice district, without similar restrictions for the other operators, would be seen as discrimination.

Need for Co-operation

International is undoubtedly as anxious as the other producers to get a higher price for its newsprint, but the methods whereby this is brought about, should be along lines satisfactory to both the manufacturer and the consumer. It has been said on more than one occasion that the manufacturers have failed to consider the position of the publisher. On the other hand, much the same charge can be made against the publisher.

The lack of closer co-operation between the producer and consumer has not been in the best interests of either party. The manufacturer needs more money for his paper, but the publisher is unwilling to pay more until market conditions justify an upward change.

Surplus Capacity Exists

Aside from all arguments put up by the producer, the publishers take the stand that as long as there is a surplus of newsprint, he should be made to pay for the over-expansion of the Canadian newsprint industry. He realizes, full well, that at some future date the Canadian producers will have the upper hand and that monopolistic tendencies might prevail. For the immediate future, however, there is a surplus of productive capacity and until there is a better balance between supply and demand, prices should remain stationary.

Arguments of the publishers are backed up by current statistics on the rated capacity of the newsprint mills on the continent. The secretary of the News Print Service Bureau is authority for the statement that the industry began 1930 with an average daily capacity of approximately 17,300 tons, of which, in round figures, Canada had 11,100 tons, United States 5,300 tons, and Newfoundland 900 tons. In addition there is a small production from Mexico.

More Machines Planned

These figures will be further augmented this year by the installation of additional machinery. By the end of 1930, it is expected that new machinery, with a rated capacity of 720 tons daily, will be installed, mostly in Canada. This will bring the rated capacity for the continent, as a whole, up to over 18,000 tons daily.

Takes Optimistic View

At the annual meeting of the Canadian Pulp and Paper Association last week, the retiring president, C. H. L. Jones, stated that the time was not far distant when supply and demand would be more equalized.

This forecast was undoubtedly based on the assumption that some restrictive measures would be taken to keep down the number of new installations. The evils of too rapid expansion have been shown time and again, and it is likely that greater care will be taken in future before establishing a new mill, or adding other machines.

Commenting upon consumption of newsprint last year, R. S. Kellogg says that the United States and Canada used about 5 per cent more newsprint paper in 1929 than in 1928.

Demand Moves Up

Advertising being a primary factor in relation to the consumption of newsprint, it is interesting to note his statements in that respect. Advertising in the principal daily newspapers in the United States was about 4 per cent greater in 1929 than in 1928.

Reports for the six months ending September 30 showed total circulations of daily and Sunday newspapers in the States in excess of 66,000,000—an increase of 4 per cent over the same period in 1928. Daily newspapers with circulations in excess of 100,000 copies averaged 32 pages in size during 1929, compared with 30 pages in 1928, with the Sunday issues averaging 104 pages both years. This was a new record in size of dailies, but below the 1926-27 average for Sunday issues.

Expect Further Gains

Estimates of advertising and circulation for the current year indicate prospects for a nominal increase. Whether the new needs will be sufficient to cause a lowering of the spread between supply and demand, in view of the new installations, is a matter of doubt.

Thus, with an excess of capacity and no unusual increase anticipated in the demand for newsprint, the publishers are in accord in protesting any attempt to increase prices.

Quebec Wants Increase

Contrary to this view, Quebec is determined in bringing about an increase of $5 a ton in the value of newsprint. International, with about 20 per cent of the Canadian and 18 per cent of the American production, has taken the stand that economic conditions do not warrant an increase, much as it would like to secure a higher price for its product.

The Quebec Government's attempt to bring International into line with its way of thinking savors much of governmental interference and its success will be watched closely, as the matter of a price increase pivots round the policy of International Paper.

Abitibi Power Lists Additional Common Stock

From Our Own Correspondent

MONTREAL.—Culmination of the deal whereby Abitibi Power and Paper Company acquired control of the Provincial Paper Company Limited, is seen in the announcement of the listing on the Montreal Stock Exchange of 100,000 additional no par common shares of Abitibi, which were given in exchange for shares of Provincial Paper.

Acquisition of this property should give greater stabilization to the earnings of Abitibi. The newsprint market has not been particularly profitable over the past twelve months and there does not appear any hope for price increase until after mid-year. Benefits arising from this deal, of course, will not be seen in the financial returns of Abitibi until the 1930 report is made public.

PAPER WORKERS PROTEST TO PREMIER

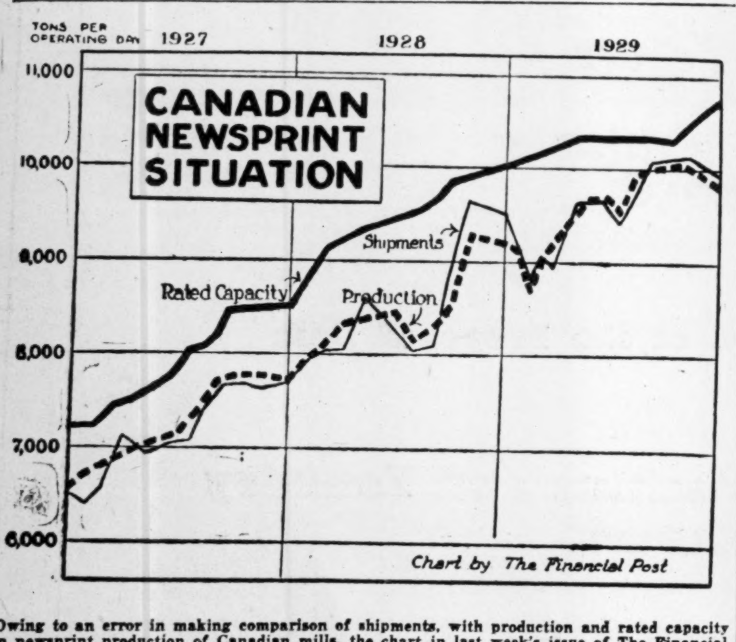
Ask Government to Act in Relieving Short Hours

From Our Own Correspondent

MONTREAL.—Limitation of operations by certain of the Quebec paper companies, with the consequent cutting down of the volume of employment, has caused a delegation of workers to wait upon Premier Taschereau asking that something be done to relieve the short hour working conditions in the St. Maurice and Port Alfred districts.

One of the delegates suggested that an embargo on the export of wood from Crown lands to the United States would help and the Premier pointed out that this would have to be a national law and therefore would have to be effected through the Federal Government. He added that as far as International Paper was concerned, it had, under the agreement expired at December 31, 1929, brought 125,000 tons of manufacture into Canada from mills in the United States.

Attention was also drawn to the 100 per cent operations of International's mills as compared with the three and four days a week work in the Canadian establishments. Though the delegates insisted that something be done to equalize operations, the premier definitely said that the Government could not step into the affairs of private concerns or regulate the matter of output.



Owing to an error in making comparison of shipments, with production and rated capacity in newsprint production of Canadian mills, the chart in last week's issue of The Financial Post, gave an erroneous impression. Shipments, instead of being shown in comparison with production on an operating day, had been worked out in comparison with rated capacity. The chart, which is worked out on an operating day basis, gives an entirely different picture. Instead of a wide divergence between shipments and rated capacity, it will be seen that the spread has been less pronounced in 1929 than was the case in 1928.

PAPER INDUSTRY SETS NEW MARKS DURING PAST YEAR

Production and Exports Beyond Any Former Record

From Our Own Correspondent

MONTREAL.—Along with other major industrial activities, the newsprint industry broke through to new ground in 1929 and shattered old records. Taking North America as a whole, production advanced to nearly 4,400,000 tons, the highest mark in the history of the industry. At the same time Canadian overseas exports amounted to 338,000 tons and another 100,000 tons went overseas from Newfoundland. Domestic consumption in the United States and Canada combined was approximately 4,000,000 tons.

Operations for the industry as a whole, according to Royal S. Kellogg, secretary of the Newsprint Service Bureau, was at 84 per cent of rated capacity. New machines made ready during the year had a daily capacity of 940 tons, and additional new machines expected to be ready to run before the end of 1930 will have a capacity of 720 tons more.

Detailed figures prepared by Royal S. Kellogg show in round numbers a production of 2,729,000 tons of newsprint in Canada last year; 1,392,000 tons in the United States; 256,000 tons in Newfoundland; and 19,000 tons in Mexico—Mexico being self-contained with respect to production and consumption. Compared with 1928, Canadian production increased 14.6 per cent, Newfoundland, 10.7 per cent; Mexican, 10 per cent, while United States production decreased 1.8 per cent. Shipments during the year totaled slightly more than production and mill stocks at the end of the year were 10,000 tons less in volume than at the beginning.

Canadian overseas shipments increased 24 per cent and shipments to the United States 12 per cent; exports of newsprint from the United States, which long ago ceased to be an important factor, amounted to 19,000 tons in 1929, compared with 11,000 tons in the previous year. Imports of overseas news print into the United States, which averaged 137,000 tons yearly, 1921-28, inclusive, dropped to 96,000 tons in 1929. Stocks of white paper in the hands of the publishers were approximately 35,000 tons greater at the end of 1929 than at the beginning.

Paper Needs Larger

United States and Canada used a total of about five per cent more news print paper in 1929 than in 1928, bringing the per capita consumption up to new high records of 62 lbs. in the United States and 44 lbs. in Canada. These two countries combined used about 57 per cent of the world's supply of news print last year.

Advertising in the principal daily newspapers in the United States was about four per cent greater in 1929 than in 1928. Reports for the six months ending September 30 showed total circulations of daily and Sunday newspapers in the United States in excess of 66,000,000 copies—an increase of four per cent over the same period in 1928. Daily newspapers with circulation in excess of 100,000 copies averaged 32 pages in size during 1929, compared with 30 pages in 1928, with the Sunday issues averaging 104 pages both years. This was a new record in size of dailies but below the 1926-1927 averages for Sunday issues.

The North American news print industry is beginning 1930 with an average daily capacity of approximately 17,300 tons, of which in round numbers, Canada has 11,100 tons, United States 5,300 tons and Newfoundland 900 tons.

New operations scheduled for the year are three in number—two machines for the Canadian International Paper Company at Dalhousie, N. B., to start in February; two for the McLaren Company, Buckingham, Quebec, during the latter half of the year; and two for the Maine Seaboard Company at Bucksport, Maine, at the end of 1930.

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Makers of Canadian Radios Maintaining Their Output

Business Stress and Competition Not Felt to Same Extent as in United States—Profits Have Been Encouraging

Manufacturers of radios in Canada are reported not to have felt the effects of the narrowing down in trade to anything like the extent experienced by those firms in the same line in the United States. Across the border several concerns of this type have gone into liquidation recently while those in the Dominion are all believed to be operating on a profitable basis.

The De Forest Crosley Radio Company and the Rogers-Majestic Corporation are the two outstanding companies in Canada which confine their activities exclusively to the production of radios and radio equipment. Both of these are understood to be making good progress.

De Forest Crosley brought its last fiscal year to a close on December 31, 1929, and the annual report for the period is now in course of preparation. Earnings are expected to run in the vicinity of $10 per share on the common stock, which will compare with $5.92 per share available for this purpose in 1928.

When an offering of stock in the Rogers-Majestic Corporation was placed on the market early in 1929, it was estimated by the management that earnings for the fiscal year, terminating March 31, 1930, would be equal to $4 a share. The president of the company, D. H. McDougall, is authority for the statement that he is not disposed to revise that estimate. The corporation is now conducting a sales caravan, covering 23 days, during which its products will be on exhibit in all the principal cities of the Dominion.

The reason assigned for the fact that radio manufacture in the United States is not in so prosperous a condition as surrounds the industry in Canada is that the market across the line is nearer the point of saturation than is the case here and because the situation is surrounded by more highly competitive developments. The first of these factors no doubt will make its appearance in the Dominion sooner or later, but the latter has been thus far successfully avoided. In the meantime all the factories devoted to this purpose have been kept working to a high degree of capacity.

B.C. NEWSPRINT PRODUCTION MAY SHOW INCREASE

Japanese Market for B.C. Pulp Will Continue

From Our Own Correspondent

VANCOUVER.—British Columbia's production of newsprint was cut short last year by power shortage, but the present year should witness a record output, if market conditions warrant operation at anything like capacity.

Powell River Company, leading Pacific coast producer of newsprint, manufactured 152,000 tons of newsprint last year. When the present expansion programme, involving utilization of Lois River power is completed, the company's yearly output should be about 250,000 tons.

Pacific Mills, Ltd., controlled by Crown-Zellerbach Corporation, was the chief sufferer from the power shortage and its machines were down for about three months, resulting in the production of only about 60,000 tons of newsprint.

B.C. Pulp & Paper Company, third largest factor in the pulp and paper field in British Columbia, produced 65,000 tons of pulp, half of which being bleached sulphite and the other half unbleacked.

According to Lawrence W. Killam, president of the B.C. Pulp & Paper Company, who has just returned from the Orient, Japan will continue to be a good customer for Canadian pulp this year.

Japan Affected

"Conditions are affected by three factors in Japan," Mr. Killam stated. "One of these is the tariff, another the prevailing business depression and the third, the uncertain state of affairs in China. Japan has become more and more reliant on China as a market and when China's trade is disrupted, as in the case of the present civil war, Japan feels the pinch. When I left Japan this situation was improving and the embargo which China had placed on Japanese imports had been lifted.

"There is not much likelihood of Canada being adversely affected by tariff changes in Japan. The paper industry there is divided between a group of three big operators who control their own pulp supply, and a large number of smaller mills that are dependent on pulp imports from this country. These little fellows are always an influential brake when the big operators start turning the wheels towards a high tariff on pulp. They know that if there is a high tariff they will be forced to pay higher prices or else accept dictation from the big interests.

"There is little likelihood of Japan being able to meet its own requirements with pulp produced from native woods. Saghalien Island is supplying a large proportion of the market but virtually nothing is being brought in from Siberia, which is often represented as an inexhaustible source of timber."

Mr. Killam says that China buys little or no pulp or paper from Canada, preferring to buy paper manufactured in Japan. "As in many cases this paper is manufactured from Canadian pulp, however, we share the benefit of this arrangement," said Mr. Killam.

Beatty Bros. Expanding

Beatty Bros. Limited, of Fergus, Ontario, manufacturers of farm and dairy and orchard equipment, have located a new distributing plant for the Okanagan Valley at Vernon, and two carloads of equipment have already arrived.

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HAMILTON BRIDGE MAY PLACE STOCK ON DIVIDEND BASIS

Conversion of Second Preferred is Important Factor

From Our Own Correspondent

MONTREAL.—In view of improved earnings of Hamilton Bridge Company, Limited, in 1929, it is believed that consideration will be given to the payment of a dividend on the common shares during the current year. In 1928 earnings applicable to the common stock were equal to $3.76 a share, but no disbursement has been made to date.

Though profits have been higher during the past year it is doubtful whether per share earnings will show any appreciable increase, since the number of common shares has been largely increased during the past 12 months. This is due to the fact that rights were offered to shareholders in 1929 and holders of second preferred shares have been converting their holdings into common on the basis of four common for one preferred. Accordingly there are now about 96,000 shares of common outstanding as opposed to 55,200 at the end of 1928.

The position of the common shareholders is nevertheless stronger since the elimination of second preferred stock will reduce senior dividend requirements.

Conversion Privilege Valuable

The conversion privilege has been valuable since the common sold as high as 79 in 1929. On a four for one conversion basis this would give a return of $316 for one preferred share at peak prices. There were 6,700 shares of this stock issued originally; it is understood that about 1,000 shares remain outstanding at present.

Though fabrication and erection of a substantial portion of steel requirements for the Canadian Bank of Commerce Building in Toronto constituted the major contract of Hamilton Bridge in 1929, the company has been busy on various other jobs. Expansion of its operations to include a plant in Vancouver and a property in Toronto is another indication of the progress which the company has made while the current period will bring a fuller reflection of the benefits to be obtained from these sources.

This diversification of plant activity enables the company to handle business with expedition and should make for further progress in the future.

The stock has recently been stronger in sympathy with Dominion Bridge and has moved to 35 on the Montreal Stock Exchange.

Builds Oil Tanks

Truro is soon to be the distributing centre for the products of the Canadian Oil Company as the result of the construction of three gasoline and two kerosene tanks with a capacity each of between 1,500 and 1,800 gallons, and a storage house 40 by 30 feet to be erected in the near future.

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The Canada Power & Paper Corporation
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Laurentide-Ottawa Company Limited, Pembroke, Ont.
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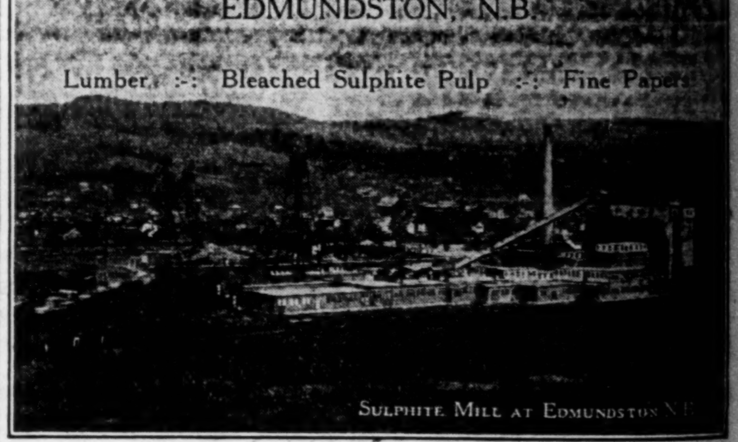

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Beaupre, Que. — Iroquois Falls, Ont.
Sturgeon Falls, Ont. — Smooth Rock Falls, Ont.
Espanola, Ont. — Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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SAY QUEBEC NOW FAVORS WATERWAYS

Change of Front By Taschereau Seen at Ottawa Parley

From Our Own Correspondent

OTTAWA. — While the water power conference at Ottawa last week is hailed as being certain to bring about the immediate development of the Carillon Falls, on the Ottawa river, it is current gossip here that very important progress was achieved in regard to the Greater St. Lawrence. It is said that Premier Ferguson and Premier Taschereau have, unofficially, agreed that water powers should bear a substantial share of cost of navigation works. Moreover it is stated, authoritatively, that Premier Taschereau has modified his former position in regard to the Greater St. Lawrence and is now inclined to favor early construction.

The Carillon Falls are capable of producing 200,000 horsepower and this will be divided equally between Quebec and Ontario. The importance of this announcement lies in the fact that agreement must have been reached with the Dominion Government in regard to navigation rights. The Ottawa is a navigable river and a main link in the long discussed Georgian Bay Canal scheme. Some day, perhaps, the Ottawa river will be improved for navigation and modern deep water locks built around the Carillon.

Navigation Comes First

While the possibility may be remote, the Federal government could scarcely afford not to keep it in mind in any agreement in regard to water power development. It is believed that Premier Ferguson and Taschereau agreed that the right of the Dominion to provide navigation works was paramount and over-rode the provincial rights to power. In other words the Federal government has been conceded by the provinces to have the right to remove water power installations to the degree necessary to meet the needs of navigation. It is believed the provinces laid down the precept that in exercising such over-riding jurisdiction the Federal government may expropriate power works but must pay compensation, although not necessarily on the basis of the earning power.

While it is stated, also, that the provincial premiers agreed that power should help pay for navigation, they will not make any public declaration along this line, but will discuss the question carefully with their respective cabinets.

In regard to the Greater St. Lawrence, the meat of the matter lies in the application of the principle that power may, in part, pay for navigation. This principle has been incorporated in the lease of the Beauharnois Power Company but its general application has never been conceded by the provinces and in the recent reference to the Supreme Court, provincial counsel argued strongly against it.

Waterway Is Nearer

If, as seems to be the case, the province of Quebec intends to withdraw its long standing opposition to the construction of the Greater St. Lawrence waterways and if the provinces are prepared to concede that power should help pay for navigation—if these reports are true then the building of the Waterways at once becomes a practical political possibility and the way is open for negotiations with the United States. Perhaps these reports are a little optimistic and colored by the desires of the Federal government. They are well grounded, nevertheless, and may be considered true if there is the slightest indication of a renewal of negotiations with Washington.

The explanation of the change in front on the part of the Taschereau government is not forthcoming. Hitherto Quebec has been a real stumbling block to the building of the waterways and if this opposition is withdrawn there is no reason for further delay.

ENAMEL HEATING SALES SHOW GAINS

Further Expansion Anticipated During Year

MONTREAL.—Sales of Enamel and Heating Products, Limited, for 1929, showed gains over those of the previous year; it is said that the increase approximated 15 per cent. Sales for eleven months ended December 30, 1929, were $711,275 as compared with $628,652 in the corresponding period in 1928. This figure excluded sales of Albion Stove Works, Limited, a subsidiary operating in Victoria and acquired in September, 1929.

A dividend of $2 a share annually is presently paid on the capital stock of which there are 29,000 shares outstanding; these comprise the sole securities of the company.

Enamel and Heating has undertaken considerable expansion since its inception in 1928 and a further widening of its activities is anticipated. Already the company has a national distribution for its products and to facilitate its western business it acquired its Victoria subsidiary. Albion Stove Works is able to manufacture and distribute various lines hitherto produced in Enamel and Heating's Sackville plant with a subsequent saving in distribution costs.

The Maritime plants are located in Sackville, N.B., and Amherst, N.S. The Sackville plant manufactures a wide range of coal and wood ranges, gas ranges, heating stoves and similar equipment. The transfer of some of this business to the western plant has enabled the unit to widen its output to include steam and hot water boilers.

The Amherst foundry produces all kinds of enamelware including bathtubs, sinks and basins. Additional equipment has been installed in both plants during the past year and productive capacity has been increased.

Warehouses are maintained at Montreal, Toronto, Winnipeg and Vancouver.

Canadian Airways Begins Maritime Mail Service

MONTREAL. — Airmail service between Montreal and the Maritime provinces was inaugurated recently when two planes, one from Moncton and the other from Montreal, made their initial flights. This brought Detroit, already connected by plane with Montreal, on a direct air line with Saint John, and Moncton, N.B.

Canadian Airways is operating the service and the schedule calls for five days mail and passenger service every week. Fairchild six passenger machines, powered with Wasp engines of 425 h.p. are being used.

Tip Top Tailors Plant Fully Meets Present Requirements of Trade

Provision Made in New Quarters to Provide for Future Expansion

COST WAS $700,000

Funds for Purpose Almost Entirely Supplied from Earnings Which Resulted in 1928

The executive staff and operatives of Tip Top Tailors are now ensconsed in the new building which was erected by the company during the past year on Fleet Street, Toronto, three and one-half acres of ground having been leased for this purpose from the Toronto Harbor Commissioners. The completed structure is of cement construction, faced with sandstone and presents a very pleasing appearance to people of the city and visitors who pass in the thousands each day in motors and on foot. Few buildings of the kind on this continent will surpass it in those points which go to make an up-to-date factory. Prior to deciding upon the plans that should be prepared several of the chief executives made a tour of the larger centres of population in the United States, where they picked up the latest ideas on the subject, the best of which now have been embodied in the present building.

The approach to the main doorway, which is handsomely carved on each side and above, is made over a flight of broad stone steps. On entering one is ushered into the main corridor, across which is the telephone exchange which communicates with every section of the building. In addition to the usual switchboard there is an autocall, which enables an executive to be called to the phone no matter what department of the building he may chance to be in at the time. On either side of entrance are huge glass cases in which it is proposed to display the seasonal changes that occur in men's garments. To the right are the offices of the chief executives, while to the left, still in the front of the building, are those of the sales staff; adjoining the former are the quarters of the principal office staff. All the private offices are handsomely furnished in keeping with the imposing character of the building.

Clothing Conditions Perfected

The successive manufacturing operations connected with the product of the company's garments are effectively arranged. There is no lost motion at any stage in the process. Chutes exist from floor to floor, eliminating the necessity which formerly existed of conveying the garments by hand. On the fifth, or top, floor is a department where the order slips are made out. These slips follow each garment from the cutting department through the various stages of manufacture; as each process is completed a section of the slip is detached until that section of the slip bearing the name and address of the customer reaches the shipping room. In this way each department has a record of the work that has been done on every individual piece of work. Through the same method, chances of confusion are practically eliminated.

In the cutting department on the top floor between 65 and 70 cutters are constantly employed. These operated on approximately 200,000 garments during the past year. The reserve webs of cloth are stored in the basement and as needed are conveyed by elevator to the top floor, where they are kept in readiness for the immediate operations of the cutters. In the making of each suit 3⅜ yards of cloth, more or less, are used, and each web contains between 50 and 60 yards. Two designers are constantly employed in arranging styles to meet the requirement of the prevailing mode. On the fourth floor the steam pressing is done by means of numerous Hoffman machines through the medium of which a suit is pressed in a tenth of the time required under the old-fashioned hand method. The suits are then given a final examination and go from there to the shipping room on the ground floor.

Amusement for Employees

The western portion of the third floor is given over to the trouser department, while in the eastern section, sewing operations on coats and vests are under way by machines. On the second floor is a cafeteria, arranged in the prescribed form, in which between 500 and 600 meals are served each day, food is provided to the employees at cost. Adjoining is a stage suitable for theatrical performances. In the front of the building, arranged so that many spectators may watch the games, is a bowling alley where several teams may simultaneously participate in recreation or competition. A private dining room is provided for the executives, who meet at least once a week to partake of luncheon together and discuss the current problems of the business. Behind the main offices on the ground floor is the shipping department where the garments are prepared for despatch to their final destination. Here also is the ready-made department, where finished garments are held awaiting transhipment, as also the mail order department which supervises the agency business.

The ceilings on all floors are unusually high; fourteen feet from floor to ceiling instead of ten feet as is customary. This arrangement was adopted in order that as much daylight as possible might be supplied across the expansive floors on each level throughout the year and also to preserve a clarified atmosphere for the employees. To provide for the conduct of water and electricity, supplying power for the lighting system and water for the sanitary equipment, 72 miles of piping have been installed. Electrical power is introduced on a basis of 4,400 volts and is transformed down to 550 volts right in the building—another cost saving provision. The company expects, moreover, to save about $3,000 a year through having its own artist, who will execute all the advertisements, prepare the cuts for the newspapers and design show cards.

The management is looking forward to a most successful year in 1930. Already the volume of orders received thus far in January has been considerably in excess of the corresponding weeks in January, 1929. At the moment there are about 650 employees, and this staff, it is anticipated, will be expanded as the year progresses. In the building there is available about 210,000 feet of floor space.

Assets Greatly Increase

Tip Top Tailors is engaged in the manufacture and distribution of made-to-measure clothing. From humble beginnings, when the comparatively insignificant sum of $1,500 was invested in the business, it has grown to its present ample proportions, when the total assets, at the end of the past fiscal year on December 31, last, doubtless will be found to aggregate over $3,600,000. Work upon the construction of the new plant was commenced last March, the total cost involved being around $700,000, and these ample quarters were occupied at the commencement of the New Year.

The company in its original form had its genesis in 1912 in the purchase of a small and struggling wholesale clothing business, that of the Berger Tailoring Comany, which was incorporated in 1910. The new management in the first year did a total gross business of $60,000 and for some time thereafter the outlook was far from promising. New avenues of distribution, however, were secured and the results from these were better than had been anticipated. The gross in 1929 approximated $5,000,000.

Tip Top Tailors operates two distinct chains of stores, both of them devoted solely to men's clothing. Originally it was proposed only to do a wholesale business, but, owing to conditions which developed in the trade, the management was constrained to open the first retail Tip Top Tailors store, which was done about fifteen years ago. The initial venture was in Toronto, which proved successful from the start, and this was followed shortly by another in Hamilton, which was also successful. Others were instituted in rapid succession, until today there are 33 of them, scattered in all the principal Canadian centres of population from Halifax on the east to Victoria on the west. All of these are identical in management and in layout and all alike to sell made-to-measure clothing for men at a uniform price.

Progress in Retailing

The other chain store system conducted by the same interests does business under the name of the National Clothers Shops. It was suggested by reason of the fact that the made-to-order clothing business in the Dominion is extremely seasonal, originating mainly in the spring and autumn. The Tip Top Tailors do their business largely within a very few months twice a year. In order to keep the manufactory operating to a comparative degree of capacity all the year around another expedient was sought. This was found in a series of stores, 15 of which now exist, where ready-made clothing is purveyed. Merchandise for these shops is manufactured during the seasons which are normally slack between the made-to-measure periods of buying. By operating the two groups of stores Tip Top Tailors is able to keep the plant running at capacity the year around at a considerable saving in overhead. So far as the public is concerned there is no connection between the two systems of stores, that of the National Clothers Shops having uniform types of stores of its own uniform service and uniform prices.

The sales of Tip Top Tailors for the fiscal year ending December 31, 1929, amounted to $4,803,215 as against $4,112,265 in the preceding 12 months, an increase of $690,950, or 16.80 per cent. The preferred stock during 1929 ranged from a low of 99 to a high of 113; since the first of the present year it has hovered between 102 and 105, and is presently selling around 104, at which level there is a return to the investor of 6.73 per cent. The common in 1929 varied from 31 to 48⅝, and since the first of the month has sold between 36 and 38, and is now offered around the former figure.

No dividend has as yet been paid on the common and none can be paid if by so doing the net current assets would be reduced to less than $1,000,000 or the net tangible assets to less than $2,100,000. The company has $1,500,000 7 per cent preferred stock issued of which $1,408,600 is outstanding, having a par value of $100, and 120,000 shares of common stock of no par value out of a total authorization of 150,000 shares.

Building Out of Profit

The greater part of the cost of the new building was paid out of the profits for 1929, it being necessary to draw upon reserves to only a very small extent. With the accession of profits that is known to have been attendant upon operations in 1929, it is certain that a substantial sum will be carried to surplus.

The new plant, even in the present slack season, is turning out about 2,500 suits per week; in the busier season that is soon to ensue between 5,000 and 6,000 suits will be completed each week. Viewed from all angles, Tip Top Tailors is making remarkable progress and the end of its expansion does not appear to be yet in sight. In preparing the new quarters the management had this consideration always in sight, so that, for some years to come, there will be little chance of over-crowding; the operatives always will be able to work under the most advantageous and the most healthful conditions.

Shawinigan Charter Amended by Quebec

From Our Own Correspondent

MONTREAL.—Several amendments to the charter of the Shawinigan Water and Power Company has been approved by the provincial government. In the first instance, the company is given power to take over the rights and obligations of its subsidiaries. For some time past the company has been consolidating its corporate set-up and doing away with organizations which have outlived their usefulness. The amending of the charter will enable Shawinigan to complete its programme along these lines.

Two other changes were made in the charter. The first provided for exemption from seizure of apparatus, such as meters, etc., belonging to the company but located in rented properties. A clause in the original charter, prohibiting Shawinigan from operating tramways in the district of Three Rivers, was removed.

CONS. SMELTERS WIDENED SCOPE DURING PAST YEAR

Much Progress Made in Operating Methods in 1929

From Our Own Correspondent

MONTREAL.—Although Consolidated Smelters output for 1929 showed lower tonnage figures in all metals except zinc, the company has undertaken a considerable expansion during the year. Earnings, incidentally, are said to have been well maintained, if not exceeded, due to high metal prices.

The biggest development project is its construction programme for the manufacture of chemical fertilizer, which will eventually involve the expenditure of about $8,000,000, and will take two years to complete.

Erection of a plant for phosphate manufacture was also started at Warfield and another unit for the production of sulphuric acid in connection with the metallurgical end of the business is being set up at Tadanac. During the year, the company's plant capacity for zinc recovery was increased one-third to 400 tons of electrolytic zinc daily. Actual tonnage production for the year was 86,049 tons as against 81,765 tons of zinc used in 1928.

Utilize Furnace Gas

Progress was also made by the company in utilizing furnace gases in connection with smelting activities. The clarifying of these gases was perfected at the Trail plant by the Cottrell treater method, which was given its first trial during the year.

Announcement was also made at the beginning of the present year that the company will commence work on a 350,000 h.p. development on the Pend Oreille River. The work commenced on January 9, 1930, the company having decided to impound and use all the waters of the Pend Oreille River lying within Canadian territory and to develop them to their maximum capacity. The project will supply about twice as much power as the company formerly obtained from its other three plants.

It will be remembered that the company has had considerable difficulty both last year and this year in obtaining sufficient power for its operations during times of drought and low water. This new project will call for the building of the largest dam in Canada.

Active in Prospecting

In the mining and prospecting fields, Smelters was active. As usual options having been taken on many properties, including the George Gold Copper Mining Company, which option was exercised; an option on the Gilbert Bennet property in Ontario and an option on the McCarthy-Webb properties in the Godreau district, Ontario; while interests were also reported to have been taken in the Don Juan group of Flintoba Mines, Limited, and of some properties in Alaska. The Kinman property at the head of Nimpkish Lake, B.C., is also said to have come under the Smelters eye.

Latest reports also indicate that the company is making strenuous efforts to obtain a source of potash supply in the west. Prospectors are being offered free analysis of potash samples that may be sent to the smelter at Trail, B.C. Adequate domestic potash supplies are proving an exceedingly serious economic problem to Consolidated Smelters operations.

OWNERS OF U.S. BONDS CAN GET EXEMPTION

U.S. Income Tax Not Payable Except on Large Incomes

Canadian owners of bonds and debentures of United States corporations have until May 1 to file claim of exemption from U.S. income tax and thereby obtain return of the amount of 3 per cent of interest coupons cashed providing that the income obtained from American sources is less than the amount exempted from taxation.

According to the United States law, when interest is received by a non-resident alien on bonds or debentures of a U.S. corporation, the owner may file a certificate claiming exemption. The personal exemption of non-resident aliens is $1,800 plus $400 additional for each dependent under 18 years of age.

Upon payment of the coupons the paying agent withholds 3 per cent of the value of the interest coupons and the bond owner files a statement of ownership. Claim of exemption must then be filed with the withholding agent at the end of the year. Claims of exemption are forwarded in turn to the U.S. treasury department and, if valid the amount of interest withheld is paid to the bond owner. The procedure is outlined in a bulletin sent out by Dominion Securities Corp.

W. F. Irwin Co. Opens Calgary Branch

W. F. Irwin & Co., Ltd., specialists in mines and oils on the Vancouver Stock Exchange, has recently opened a new office in Calgary under the management of C. E. Barnhart. The Calgary office will operate as W. F. Irwin Co., Alberta, Ltd.

C. E. Barnhart, manager of the new office, has had an experience extending over 20 years on the Winnipeg Grain Exchange, six of which were on the floor of the exchange. He is best known to Calgarians as the builder of the Barnhart model home and the Barnhart Apartments.

List Breweries New Stock

From Our Own Correspondent

MONTREAL. — The Montreal Stock Exchange announces the listing of 721,372 no par common and 111,000 seven per cent cumulative preference shares, par value $25 each, of the National Breweries Limited.

The 180,243 no par common shares and 27,750 seven per cent cumulative preference shares, par value $100. have been withdrawn from the list.

29th General Annual Meeting

OF THE SHAREHOLDERS OF

THE PROVINCIAL BANK OF CANADA

HELD AT THE HEAD OFFICE OF THE BANK ON THE 29th OF JANUARY, 1930, AT TWELVE O'CLOCK NOON

In the absence of the President, Hon. Sir Hormisdas Laporte, K.B., confined to his home following a minor indisposition, Mr. S. J. B. Rolland, 2nd Vice-President, was in the chair and Mr. Chs. A. Roy, General Manager, acted as Secretary.

The following reports were submitted and approved:

Report of the Board of Directors to Shareholders

The twenty-ninth annual report, accompanied by statement of Profit & Loss Account, which you have before you, for our fiscal year ended on November 30th, 1929, and which statements we have pleasure to submit, show very satisfactory results, which we hope will meet with your approval.

The past business year, which opened under most favorable conditions, ended in a period of reaction, partly due to the stock market crash which took place during the latter part of October. As usual, the public was taken by surprise, notwithstanding the numerous warnings which had been given. During the greater part of the year, business generally was very active, and money was in good demand at a slightly higher rate than for the preceding year.

The most of our large industries operated at a high percentage of their capacity and our export trade was maintained at a reasonable figure considering that in comparison to other years only a small part of our last wheat crop has been sold abroad.

In a general way, building and contracting, which had slowed up during the first months, became much more active towards the end of the year; however, conditions in the manufactured lumber trade have not improved, production is on the wane, and prices were inclined to be lower.

The retail trade in general has been active, although we note that, in several lines of business, profits are not satisfactory because of intense competition, and owing to the fact that a certain number of our retail merchants have not kept abreast of the time by adopting newer methods of attracting and retaining business. We feel justified in recommending the retail merchants of the cities, as well as of the rural districts, to increase their working capital in order to pay for merchandise on short terms and, consequently, the cost price.

The crops, which are one of our important sources of revenue, have been, as a whole, satisfactory. The wheat production in the Western Provinces, although below that of recent years, will be partly compensated by being of a higher grade and will, it is hoped, bring a comparatively higher price than in 1928. In the Province of Quebec, crops were approximately 20% above those of the preceding year, the prices were fair, but the marketing is somewhat slow; hay was exported in large quantities, but, on the other hand, heavy imports of butter have affected the price of the Canadian product, as in past years.

The Fox Breeding industry continues to expand in a notable way. Although prices have been lower during the last few years, those engaged in this business still find results quite satisfactory. It would be advisable, however, considering the risky nature of this business, that the products be sold on shorter terms, and that the companies or individuals interested maintain part of the revenue in the business instead of dividing the full amount of profits each year.

In the Province of Ontario, the crops were not as good as in 1928. However, prices have been well maintained. The sale of livestock has been less active owing to a decrease in prices, but it still remains an important source of income.

The Maritime Provinces were favored to a greater degree. According to estimates, the crops are approximately 30% higher than in 1928; the prices are fair, particularly for potatoes, of which New Brunswick had an abundant crop. This province seems to be taking on new life, its industries are becoming more and more numerous, due to the development of its water-powers and the building of good roads, which bring a large number of tourists.

Prince Edward Island has made encouraging progress, business generally has been more active, and savings are increasing. Its principal source of revenue continues to be the fox breeding and fur industry, agriculture, and sale of livestock.

The general conditions of the country are good. The development of our natural resources will no doubt continue by the execution of the projects already made public. Our industries, supported by the capital accumulated during the recent years, are in a position to encourage initiative. After all, conditions are of a nature to induce everyone to work steadily to maintain and increase the period of prosperity which it has been our good fortune to enjoy, particularly during these last few years.

We must not lose sight of certain events which have transpired lately, such as, the delay of the sale and exportation of our grain, with the consequent decrease in commercial and industrial activities; a slight increase in the number of non-employed, which can be taken as an indication that the public must be cautious in the administration of its business and use of its capital.

During the year a vacancy was caused on the BOARD OF DIRECTORS by the resignation of Mr. Alphonse Racine. His place was filled by the appointment of Mr. Chas. A. Roy, our General Manager, which appointment I know you will approve.

Another vacancy was created on the Board Commissioners-Censors by the death of Mr. Samuel Casavant, well known and highly respected industrialist of St. Hyacinthe. We take advantage of this occasion to repeat our expression of sympathy to his family.

The Commissioners-Censors' report will be submitted at this meeting. We are pleased to acknowledge the fact that, as in the past, the commissioners have been very conscientious, and zealous in the discharge of their duties, and we wish to express our sincere appreciation of their co-operation.

I now ask the General Manager to make his commentaries on the results shown by the statement of Profit and Loss Account and the Annual Report.

FOR THE BOARD OF DIRECTORS,
(Signed) H. LAPORTE,
President.

General Manager's Commentaries

PROFITS

The operations for our fiscal year ended on November 30th, 1929, having been very active, the results, as shown by the report and statement of Profit and Loss Account, which are placed before you, are very satisfactory. The net profits amounted to $551,022.27, as compared to $534,248.30 for the year 1928. These profits are the highest ever realized by the Bank up to the present and are the result of a greater participation in the commercial, industrial and financial life of the four provinces in which we are represented. I will add that this increase in profits has been obtained, in spite of the fact that during the course of the year we have generally increased the average salaries paid to our employees.

These profits were appropriated as follows: The usual dividend of 9%, representing the sum of $360,000, has been paid to our shareholders; $67,500 has been appropriated for Federal Taxes, and $48,138.36 as a reduction on Real Estate, cost of installation and maintenance of new Branches, and the balance has been carried forward to the Profit and Loss Account, which account now shows a balance of $441,225.15.

LIQUID ASSETS

In accordance with the established policy of our Bank, a strong liquid position has been maintained; on November 30th last, cash on hand, cheques on other Banks, balances due by other Banks, Dominion, Provincial, Municipal and other securities and Call Loans amounted to $29,966,166.30, being equal to over 60% of our obligations to the public.

CALL LOANS

Our Call Loans amounted to $12,416,210.36, fully secured by well-chosen and diversified stock market securities with a good margin. We experienced no trouble, whatsoever, during the rapid recession of prices in stock market securities, during October and November last. All margins were met very promptly and, owing to our liquid position, we found ourselves prepared to offer aid by accepting good securities instead of cash to cover margin calls.

CURRENT LOANS

Current loans to Municipalities and school districts amount to $1,667,682.70, against $1,729,456.09 in 1928. Our commercial, industrial and agricultural loans amount to $20,428,156.26, being an increase of nearly $2,000,000, which indicates that our loans have been more numerous and that we have been of assistance to a greater number of enterprises. It is important to note that we do not make loans abroad and our funds are loaned to Canadian Firms and Canadian Enterprises only.

DEPOSITS

The conditions generally in the country were not favorable to an increase in deposits during the fall season. We also have felt this condition, which was caused by excessive speculation in local and foreign securities, the withdrawals of deposits being greater during the month of October and November; up until that time we had an increase over the preceding year.

Our deposits show a decrease of 2½% compared to 4½% for all the Banks as a whole. This decrease was only of a temporary nature as our deposits during the month of December, resumed their upward trend. You will certainly be interested to know that our average deposits for the year of 1929 were one million dollars higher than for 1928.

We have, during the year, opened branches in the City of Montreal, at 8501 St. Denis Street, 7566 St. Hubert St., 4650 Verdun Ave., and in the Province of Quebec, at 74 Grande Ile Ave., VALLEYFIELD. We also opened five sub-agencies, and closed one. The number of branches and sub-agencies in active operation is now 139 and 195, respectively.

It gives me a great pleasure to state that the staff at the Head Office, branches and sub-agencies, have performed their respective duties with loyalty and have contributed in a great measure to the good results obtained and we highly appreciate their efforts and co-operation.

Report of the Board of Commissioners-Censors

Gentlemen:—

We have the honor to report, that in compliance with your regulations and with the duties imposed upon us at the last general annual meeting, we have examined monthly the investment and other securities held by the bank, and have ascertained that these added with the cash on hand and in the bank, were more than sufficient to meet the requirements of your by-laws concerning the proportion of liquid assets of the bank.

We have obtained all the information we have asked for, and it has been a pleasure for us to note that the results of the past year were highly satisfactory.

We therefore beg, gentlemen, to advise you to approve, as submitted, the accounts for the fiscal year 1928-29, the satisfactory results of which are an evident proof that your bank is highly appreciated by the public.

This past year has been marked by the death of our colleague, Mr. Samuel Casavant of St. Hyacinthe, P.Q., one of the founders of the important firm "Casavant Freres Limited." Mr. Casavant was deeply interested in the progress and development of the bank, and we are sure that in offering to his family our sincere and very real sympathy, we are speaking for you as well as for ourselves.

FOR THE BOARD OF COMMISSIONERS-CENSORS,
(Signed) N. PERODEAU,
President.

PROFIT AND LOSS ACCOUNT

As on November 30th, 1929

CREDIT

Balance at credit of Profit and Loss Account, November 30th, 1928		$365,841.25	
Profits for the fiscal year ended November 30th, 1929, after deducting charges of management, interest due to depositors, rebate on current discounts ($90,724.24) and provision for losses and doubtful debts		551,022.27	
			$ 916,863.52

DEBIT

Appropriated as follows:			
Quarterly dividend at the rate of 9% per annum on Paid-up Capital, as follows:			
Paid March 1, 1929	$90,000		
Paid June 1, 1929	90,000		
Paid September 3, 1929	90,000		
Payable December 2, 1929	90,000		
		360,000.00	
Dominion Government taxes on bank-note circulation and provision for income tax		67,500.00	
Amortization of the cost of installation and maintenance of new branches and written off "Bank Premises," "Other Real Estate" and "Furniture and Fixtures" Accounts		48,138.37	
		475,638.37	
Balance of Profit and Loss Account carried forward		441,225.15	
			$ 916,863.52

RESERVE FUND:	
Balance at credit, November 30th, 1929	$1,500,000.00

General Statement of the Bank on November 30th, 1929

LIABILITIES

Deposits not bearing interest	$ 7,001,570.59
Deposits bearing interest, including interest accrued to date of statement	35,676,175.34
Advances under the Finance Act	1,250,000.00
Balances due to Dominion Government	362,394.74
Balances due to Provincial Governments	87,528.24
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	150,218.34
Acceptances under Letters of Credit	45,670.00
	$44,573,557.25
Notes of the Bank in circulation	4,916,129.00
Unclaimed dividends	5,509.05
Quarterly dividend, payable December 2nd, 1929	90,000.00
Liabilities not included in the foregoing	49,728.69
Total Obligations to the Public	$49,634,473.39
Capital Stock paid in	4,000,000.00
Reserve Fund	1,500,000.00
Balance of Profit and Loss Account carried forward	441,225.15
	$55,575,699.14

ASSETS

Gold and Silver Coin current		240,435.47
Dominion Government Notes		2,480,989.25
Deposit in the Central Gold Reserves		850,000.00
Notes of other Banks		588,230.00
United States and other Foreign Currencies		59,136.00
Cheques on other Banks		2,575,307.15
Balances due by other Banks in Canada		1,782,074.84
Balances due by Banks and Banking Correspondents elsewhere than in Canada		287,780.84
		$ 8,863,953.55
Dominion and Provincial Government Securities, not exceeding market value		3,844,926.75
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value		1,895,548.72
Railway and other Bonds, Debentures and Stocks, not exceeding market value		2,945,526.92
Call and Short (not exceeding 30 days) loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		12,416,210.36
Grand Total		$29,966,166.30
Loans to Cities, Towns, Municipalities and School Districts	$1,667,682.70	
Other Current Loans and Discounts in Canada, after making full provision for all bad and doubtful debts	20,428,156.36	
	22,095,839.06	
Less rebate of interest on both items	90,724.24	
		$22,005,114.82
Liabilities of Customers under Letters of Credit as per contra		45,670.00
Deposit with the Dominion Government to secure bank-note circulation		203,150.00
Non current loans, estimated loss provided for		99,827.98
Real Estate other than Bank premises		401,788.21
Bank Premises, including Furniture and Fixtures, at not more than cost, less amounts written off		2,165,669.98
Mortgages on Real Estate sold by the Bank		503,190.17
Other Assets not included in the foregoing		185,121.68
		$55,575,699.14

Compared with the books and found correct:
(Signed) J. R. CHOQUET,
Chief Accountant.

For the Board of Directors:
(Signed) H. LAPORTE, President.
(Signed) Chs. A. ROY,
General Manager.

Shareholders' Auditors' Certificate

To the Shareholders of

THE PROVINCIAL BANK OF CANADA

We have compared the above statement with the books and accounts of the PROVINCIAL BANK OF CANADA and with the certified Branch Returns. We have verified the investments and securities at the Head Office. We have obtained all the information and explanations that we have required.

In our opinion, the transactions of the Bank which have come under our notice have been within the powers of the Bank, and the above statement discloses the true condition of the Bank, after making provision for losses and doubtful accounts, and is as shown by the books of the Bank.

(Signed) J. A. LARUE, C.A., of Larue & Trudel, Quebec and Montreal.
(Signed) E. H. CHAMPAGNE, G. P. A., Montreal.
Montreal, December 21st, 1929.

The following were elected:

Members of the Board of Directors

Hon. Sir Hormisdas Laporte, Mr. Tancrede Bienvenu, Mr. S. J. B. Rolland, Mr. H. Gerin-Lajoie, K.C., Mr. Oscar Dufresne, Mr. Joseph Sirois, N.P., Mr. Joseph-B. de Boucherville, K.C., Mr. L. J. Coderre, Mr. Charles A. Roy.

Members of the Board of Commissioners-Censors

Hon. N. Perodeau, N.P., Hon. E. L. Patenaude, P.C., K.C., Hon. Cyrille F. Delage, N.P., Mr. J. L. Fortin, Mr. Alfred Lambert.

At a subsequent meeting the following were also elected.

Hon. Sir Hormisdas Laporte, President of the Board of Directors, Mr. Tancrede Bienvenu, First Vice-President. Mr. S. J. B. Rolland, 2nd. Vice-President.

Hon. N. Perodeau, N.P., President of the Board of Commissioners-Censors, Hon. E. L. Patenaude, K.C., Vice-President.

Insurance for Buyer and Seller

IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY
AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE · FIRE · MARINE
ESTABLISHED A.D. 1905

Insurance Stocks
Bank Stocks
Trust Co. Stocks
Bought—Sold—Quoted
The Insurance Investments
LIMITED
Adelaide 8127-28
347 Bay St. Toronto 2

The
PIONEER
INSURANCE COMPANY
Fire Insurance at Tariff Rates
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER
Ex-Mayor of Winnipeg.
Sec.-Treas.—J. H. FACHE
Head Office:
WINNIPEG - MANITOBA

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Industrial Acceptance Corporation
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OFFICES THROUGHOUT THE DOMINION
COMMERCIAL AND INDUSTRIAL BANKERS

A. N. MITCHELL IS NEW GEN. MANAGER OF CANADA LIFE

Other Appointments Are Announced By Company

A. N. Mitchell, formerly assistant general manager, has been appointed general manager of the Canada Life Insurance Company, to succeed the late T. G. McConkey. W. A. P. Wood, actuary; A. Gordon Ramsay, general superintendent, and L. R. Young, treasurer, have also been appointed assistant general manager and W. Hastie, assistant treasurer, was appointed to a newly created position as assistant to the president.

The new general manager of the company, A. N. Mitchell, is well known throughout Canada as an outstanding life insurance executive and is chairman of both the Life Agency Officers' Association and the Joint Committee of the Canadian Life Underwriters' Association, Canadian Life Officers' Association and Life Agency Officers' Association. Mr. Mitchell started his life insurance career in 1901, upon graduation from the University of Toronto, with the Manufacturers' Life Insurance Company. He later became general manager of the Federal Life, which position he held until 1915 when he joined the Canada Life as assistant superintendent. In 1926 he was appointed assistant general manager of the company.

In addition to the above appointments, R. G. McDonald and S. C. McEvenue, assistant superintendents, have been appointed superintendents and E. C. Gill and R. E. Woodcock were appointed assistant treasurers. H. N. Watt and R. J. Trenouth were each appointed assistant superintendent.

General Manager

A. N. MITCHELL,
recently appointed general manager of the Canada Life Insurance Company

Life Underwriters, to the number of 150, from Southern Saskatchewan and Manitoba will attend the Educational Congress of the Canadian Life Underwriters Association of South Saskatchewan, to be held on February 6 and 7. Speakers at the congress will include O. E. Seiler, Paul Speicher and E. V. Chown.

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON 58 years in business CANADA
Capital, paid-up, $1,750,000 Reserve Fund, $2,875,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages including building loans. Applications invited.
A. M. SMART, *President.* T. H. MAIN, *Manager.*

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,398,035.23
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown.

PRUDENTIAL
ASSURANCE COMPANY LIMITED of LONDON, ENGLAND
Assets Exceed $1,000,000,000
Licensed for Fire and Casualty Insurance
Investments in Canada exceed $35,000,000
Head Office for Canada: 460 St. John St., Montreal
BERNARD HUMPHREY, Manager for Canada
North West Branch: Huron & Erie Building, Winnipeg
Toronto Agency: Parkes, McVittie & Shaw, Confederation Life Bldg.

GOOD PROGRESS SHOWN IN REPORT GREAT - WEST LIFE

$85,236,853 New Business Was Written in Past Year

Reporting a year of continued progress, the Great-West Life Assurance Company, closed its fiscal year December 31, 1929, with total assets of $118,923,990 and business in force of $592,370,122. New business issued during the year amounted to $85,236,853, an increase of $4,488,662 over the previous year, while income was $28,098,058, showing an increase of $1,423,078. Gross surplus earnings are shown at $5,753,797 as compared with $5,446,849 in 1928.

Revenue for the year, $28,098,058, includes premium income of $19,496,621; interest and rents, $6,058,828; profit on securities sold, $83,170; receipts from pension fund, $63,577 and proceeds from policies and profits left at interest, $2,395,863. Disbursements include $11,888,478 paid to policyholders; $1,946,207, commissions; $300,000 as dividends to shareholders; taxes, licenses and fees, $343,954; investment expenses, $343,943; loss on securities sold, $66,802; assets written down, $234,439 and other expenses $1,955,380.

Of the total assets totalling $118,923,990, an amount of $48,629,955 is invested in mortgages, $3,039,472 in agreements of sale; $37,893,894 in bonds and debentures and $319,722 in stocks. Mortgage holdings of the company increased by $7,069,874 during 1929, but bonds and debentures and stocks remained practically the same. Policy loans of $19,421,451 show an increase of $3,365,499. The president, George W. Allan, K.C., in his address to the shareholders at the annual meeting, stated that from the standpoint of the company, the policy loans constituted one of the best investments that the company could make, as the interest yield was satisfactory and the security was perfect.

Policy reserves of the company total $91,021,965 and other liabilities to policyholders, $10,785,241. Reserves for mortality and contingencies amount to $1,100,000 and provision for future profits to policyholders, $10,440,324. Capital and balance shareholders' account is $1,048,323 and surplus unassigned, $3,338,279.

Comparative figures for the fiscal year 1929 as against 1928 are as

	1929	1928
New business	$ 85,236,853	$ 80,748,191
Total business in force	592,370,122	547,461,360
Total assets	118,923,990	107,261,627
Income for year	28,098,058	26,674,980
Premium income	19,496,621	18,327,862
Prov. future profits to policyholders	10,440,324	9,808,893

NORTH AMERICAN INCREASES BUSINESS

Has $190,210,309 Insurance in Force—Burton Made Director

New business written by the North American Life Assurance Company during 1929 amounted to $30,950,788 bringing the total insurance in force to $190,210,309, according to the annual report of the company submitted at the 9th annual meeting held on January 30 in Toronto. The net premium income for the year amounted to $6,248,094 and total income to $8,996,475.

During the past year $3,980,627.01 was paid to policyholders, showing an increase over the previous year of nearly $600,000. Of the payments to policyholders $1,077,584.36 represents dividends, being practically $200,000 in excess of the corresponding dividends paid last year. Total payments to policyholders have been made by the company since its inception of nearly $50,000,000.

The total assets of the company now equal $42,134,903.02, showing an increase for the year of $3,169,614.96. There is invested in government guaranteed and municipal bonds $11,557,992.58. Mortgages on real estate show an increase over those of the previous year of nearly $1,400,000, now amounting in total to $10,700,528.85. Reserve liabilities amount to $32,882,565 and surplus funds, including amounts contingently and absolutely apportioned have reached the sum of $7,298,631.

C. L. Burton, president and managing director of the Robert Simpson Company, was elected to the directorate at the annual meeting.

	1930	1929
Income		
Premium income	$6,248,094	$6,175,780
Total income	8,996,475	8,666,630
Business		
New insur. issued	$30,950,788	$32,609,483
Total ins. in force	190,210,309	180,022,820
Assets		
Total assets	$42,134,903	$38,965,288

ONTARIO FIRE LOSSES CONTINUE INCREASE

Fires Caused Loss of $16,272,484 During Past Year

Ontario's fire losses for 1929 reached a total of $16,272,484 in comparison to a loss of $12,629,132 in 1928, according to the report of the Ontario Fire Marshal for December which covers the year. During the year there were 14,102 fires on which the total loss, as above, was $13,686,103 covered by insurance and $2,586,381 which was not covered by insurance. The increase in the number of fires in 1929 as compared with 1928 was approximately 11.5 per cent and the total loss increased approximately 28.9 per cent.

During December, 1929, there were 1,242 fires resulting in a total loss of $2,092,953 of which $1,784,695 was covered by insurance. The increase for the month over December, 1928, was 161 fires with an increase in loss of $1,246,941. Ten fires in the month which resulted in losses of more than $30,000 each contributed one half of the month's loss.

The greatest increase in fire loss during the year was on factories which showed an increased loss of $985,439. Dwellings showed a $533,081 increase; barns, $527,641 and stores, $490,084.

Comparative loss figures are given as follows:

Comparative Losses for December

Dec.	No. of Fires	Loss	Insurance Loss
1929	1,242	$2,092,953	$1,784,695
1928	1,081	846,012	696,271
Increase	161	1,246,941	1,088,424

Comparative Loss for 12 Months

	No. of Fires	Loss	Insurance Loss
1929	14,102	$16,272,484	$13,686,103
1928	12,649	12,629,132	10,546,388
Increase	1,453	3,643,352	3,139,715

Losses for 4 Largest Classes

	1929	1928	Increase
Barns	$2,112,332	$1,584,691	$527,641
Dwellings	3,134,008	2,600,927	533,081
Stores	3,104,962	2,614,878	490,084
Factories	3,188,438	2,202,999	985,439

Made Director

C. L. BURTON,
president and general manager of the Robert Simpson Company, who has been elected a director of the North American Life Assurance Company.

ONTARIO EQUITABLE SHOWS BIG PROGRESS

Insurance in Force Gained 61 Per Cent During Past Year

Completing a year of rapid growth and expansion the Ontario Equitable Life & Accident Insurance Co. had $52,460,013 life insurance in force at the end of fiscal year 1929 as compared with $40,110,307 in 1928, a increase of some 61 per cent. Income for the year totalled $2,093,817, as compared with $1,510,673 in 1928. The company had a surplus for the year of $1,024,719.

Assets of the company, which amount to $7,323,146, incorporate the assets of the Equity Life Assurance Company which was purchased for $500,000 during 1929. Assets include bonds and debentures at amortized value, $2,295,452; stocks at market values, $62,336; mortgages on real estate, $3,458,726 and loans to policyholders on security of their policies, $834,860. Net outstanding premiums, due and deferred, amount to $315,483.

Liabilities include $5,547,433 in policy reserves according to statutory requirements; investment account, consisting of borrowed money for reinvestment at a higher rate of interest, $611,500; paid-up capital $642,417 and surplus over all liabilities $354,483.

Revenue for the year consisted of $1,256,698 from premiums and $837,119 from interest, rent, profit on investments and other income. The company earned an average rate of interest on its investments of 6.52 per cent. The disbursements for the year include $496,763 paid to policyholders; $22,878 in taxes; $189,862, agency commissions; $327,813, general expenses; $31,783, dividends to shareholders and a surplus for the year of $1,024,719. It is reported that the loss ratio was somewhat higher in 1929 than in 1928.

In a letter to shareholders, outlining the progress made during the past year, S. C. Tweed, president of the company draws attention to the good features of life insurance stocks and states that his company has some 2,000 shareholders. Important additions are being completed at present to the head office building to accommodate the increased business of the company.

	1930	1929
Income		
Premium income	$1,256,698	$1,071,268
Int., profit on invest., and other income	837,119	439,405
Rate of int. earned	6.52%	6.65%
Business		
New insur. issued	$12,762,531	$ 8,040,435
Total ins. in force	52,460,013	40,110,307
Assets		
Total assets	$7,323,146	$5,230,373

Western Fire Mutual Reports Total Assets of $1,430,908

Assets of the Portage La Prairie Farmers' Mutual Fire Insurance Company are $1,430,908, according to the annual report recently presented at the annual meeting in Portage La Prairie. During 1929 over $23,000,000 of business was written, an increase of $1,292,117 over the previous year, which brings the total insurance in force to $68,515,652.

Fire losses of the company were heavier in 1929 than in 1928 according to Stratton Whitaker, secretary manager of the company in the course of his address to shareholders. The high proportion of fires which are preventable through care was stressed. E. H. Muir, president of the company, stressed the conservative nature of the annual report which showed a reserve of $403,576. It was stated that a larger amount had been provided for depreciation than was usual and that all securities had been carried at their present market quotations.

GOOD YEAR REPORTED BY WESTERN EMPIRE

New Business, $2,205,197; Total Assets Show Increase

Directors of The Western Empire Life Assurance Co. report a total of $2,205,197 new business issued during 1929 and a net increase of $1,091,496 in business carried by the company for a total business of $11,600,404 as at Dec. 31, 1929. The total net revenue received by the company during the year was $528,382, and assets now total $1,712,877, an increase of $265,484 during 1929.

Interest earned by the company during the year totalled $108,283, being 7.60 per cent of the mean ledger assets. Disbursements include $145,639 paid on account of management expense, taxes and license fees; $47,199 paid to policyholders and beneficiaries; and a dividend of 4 per cent on the paid-up capital stock amounting to $8,955 leaving a balance of $326,589.

The total liabilities of the company excluding capital amount to $1,417,717 of which the principal item is the reserve of $1,280,945 which covers the liability under all policies in force as prescribed by law. Paid-up capital amounts to $221,005 and net surplus, $74,156. The directors have authorized a dividend of 4 per cent on the paid-up capital stock which will be paid on March 1, 1930.

Death claims met by the company during the year amounted to $28,951, being 27.25 per cent of the expected. Investments made during the year amounted to $370,974 of which $107,966 was loaned to policyholders at 6 per cent and $263,008 was loaned on first mortgage security at 8 per cent interest.

Insurance Inklings

JAMES A. BEHA, well known as former superintendent of Insurance for New York State has been elected general manager of the National Bureau of Casualty and Surety Underwriters in the United States.

CECIL R. SIRCOM has been promoted to be manager of the life, accident and group departments of the Travellers at Halifax and FRANCIS J. MAGUIRE has been promoted to be manager of the same department at Ottawa.

H. G. HILLARD, Saskatchewan Life, has been transferred from Regina to Calgary as branch manager for Southern Alberta. E. W. BEAN has been appointed branch manager of Southern Saskatchewan.

The Ontario Equitable Life announces the appointment of E. C. Armstrong, F. A. S. as superintendent of agencies, and E. R. BATHO, F.A.S., as assistant actuary.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 767 Yonge Street
W. W. COOPER—*Superintendent of Agencies.*
Applications for Agencies invited.

Registered with Department of Insurance, Ottawa
Operating in Manitoba, Saskatchewan, Alberta and British Columbia
THE WAWANESA MUTUAL INSURANCE CO.
Canada's Largest Fire Mutual
FIRE LIGHTNING WINDSTORM
Insurance in force over $152,000,000.00 Assets over $2,680,000,000
We are now accepting business in Cities and Towns.
Write us for your requirements
THE WAWANESA MUTUAL INSURANCE CO.,
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Consolidated Oka Sand & Gravel Company Limited
BRICK CORE MOULDING SAND CONCRETE ASPHALT PLASTER
WASHED RIVER SAND
PIT SAND
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CANADIAN APPRAISAL COMPANY
LIMITED
MONTREAL TORONTO WINNIPEG
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Unexcelled Financial Strength and Increased Dividends

THE 49th Annual Statement of the North American Life Assurance Company is noteworthy in showing the improved position of its policyholders. Not only does the actual amount paid in dividends show an increase of $198,230 over the previous year but the directors have been able to announce an increase in the dividend scale for 1930.

Assets	$ 42,134,903
Surplus	7,298,630
Payments to Policyholders	3,980,627
Policies issued and revived	30,950,788
Insurance in Force	190,210,309
Interest Earned	6.15%

With its improved dividend scale, its large net surplus and its record of investments in highest grade securities of proven interest yield (the market value of which exceeds the book value by $650,000) the company is equally attractive to prospective insurers and to enterprising intelligent men who wish to make Life Insurance their profession.

BOARD OF DIRECTORS:
CHAIRMAN OF THE BOARD: J. H. Gundy
PRESIDENT: Thomas Bradshaw, F.I.A.
VICE-PRESIDENTS: W. K. George, C. W. I. Woodland, W. B. Taylor, B.A., LL.B.
DIRECTORS:
F. A. Rolph, A. C. McMaster, K.C., T. A. Brown
Hon. G. S. Henry, B.A., LL.B., M.P.P., Hon. L. A. Taschereau, LL.D., LL.L., M.P.P.
G. H. A. Montgomery, B.A., B.C.L., K.C., D.C.L., A. J. Mitchell
C. L. Burton
General Manager: D. E. Kilgour, M.A., A.I.A., F.A.S.

NORTH AMERICAN LIFE ASSURANCE COMPANY
Agencies in all important centres.
Head Office: Toronto, Canada

The Canada Life Assurance Company
Established 1847

MR. W. A. P. WOOD
Assistant General Manager

MR. A. GORDON RAMSAY
Assistant General Manager

MR. A. N. MITCHELL
General Manager

MR. L. R. YOUNG
Assistant General Manager

MR. W. HASTIE
Assistant to the President

Mr. Leighton McCarthy, President of The Canada Life Assurance Company, announces that new appointments have been approved by the Board of Directors as follows:

Mr. A. N. Mitchell, Assistant General Manager since January, 1926, has been appointed General Manager to succeed the late Mr. T. G. McConkey.

Mr. W. A. P. Wood, Actuary; Mr. A. Gordon Ramsay, General Superintendent, and Mr. L. R. Young, Treasurer, have each been appointed to the position of Assistant General Manager.

Mr. W. Hastie, Assistant Treasurer, has been promoted to the newly created position of Assistant to the President.

Messrs. R. G. McDonald and S. C. McEvenue, Assistant Superintendents, have each been appointed to the position of Superintendent.

Messrs. E. C. Gill, Assistant Actuary, and R. E. Woodcock, Eastern Loan Supervisor, have each been appointed to the position of Assistant Treasurer.

Messrs. H. N. Watt and R. J. Trenouth have been appointed to the position of Assistant Superintendent.

MR. R. G. McDONALD
Superintendent

MR. S. C. McEVENUE
Superintendent

Current Events in Banking World

NEW BRUNSWICK REPORTS THIRD ANNUAL SURPLUS

Net Debt Decreased Over $5,000,000 During Past Year

Surplus of $9,378 in the ordinary revenue account is reported for the province of New Brunswick for the fiscal year ended October 31, 1929. The surplus is shown after providing for a deficit of $224,378 on the operation expenses of the St. John Valley Railway during 1929 and constitutes the third successive surplus under the present administration. Surpluses for the past three years total $223,880. During the past year the province paid off $92,500 of its debenture debt and set aside $612,853 for sinking funds which now total $4,230,122.

Total revenue for the year was $6,576,238, approximately $789,571 more than the year previous, and the largest revenue in the history of the province. The largest item of revenue was $1,522,496 from the New Brunswick Liquor Control Board, being the net profits for the year. Tourist trade is stated to account for two-thirds of the business done by the board. The province received $1,240,301 from Dominion subsidiaries and $1,209,344 from territorial revenue which shows a decrease of $76,035 from 1928 due to a smaller lumber cut.

Motor vehicle licenses brought the province $782,318 and the gasoline tax brought $538,691, an increase of $264,303. Both of these items of revenue are marked for funding of the permanent road expenditures.

Total expenditures on ordinary revenue account were $6,566,860, the largest item of which was $1,687,354 for public works which included $1,089,721 spent on road maintenance. Other major items of expenditure were: agriculture, $239,367; education, $633,656; department of lands and mines, $297,083; public health, $154,187; interest charges, $1,448,743, vocational education, $111,478 and free school books, $163,010.

Debt Reduced

The consolidated balance sheet of the province, as at October 31, 1929, shows the net debt of the province at $33,236,579 as compared with $38,254,371 at the close of the previous fiscal year. The decrease of over $5,000,000 was largely caused by the sale of the St. John Valley Railway to the Canadian National Railways.

The principal capital expenditures were as follows: permanent roads, $4,618,387; permanent bridges, $449,388; hydro extensions, $210,787. Other capital expenditures included $133,094 on provincial hospital buildings, and $162,000 on the new provincial forestry and mineralogy and library buildings at the University of New Brunswick.

T. T. FENNELL, assistant manager of the main Toronto branch of the Royal Bank, has been appointed assistant supervisor of all Quebec branches of that bank.

Bank Chat

F. L. PATTON, Winnipeg, assistant manager of the Dominion Bank has been elected a director of the bank. Mr. Patton is well known in banking circles in the West.

It is reported that all available space in the Canadian Bank of Commerce head office building in course of construction in Toronto has been rented. The building will not be completed for occupancy before November, 1930. Of the 34 storeys, 9 will be occupied by the bank and 25 will be rented.

JAMES O. KESSACK, formerly with the Canadian Bank of Commerce at Toronto, has been appointed deputy-treasurer, tax collector and finance manager for Scarboro Township, Ont.

J. L. THOMPSON, formerly manager of the Georgetown branch of the Canadian Bank of Commerce, has been transferred to the inspection department at head office, Toronto.

The Mount Hope branch of the CANADIAN BANK OF COMMERCE was recently destroyed by fire believed to have been started by an overheated stove.

The DOMINION BANK plans to erect a two-story bank and office building at a cost of $130,000 at Yonge and Gerrard Sts., Toronto.

A. C. GALBRAITH has been appointed manager of the Excelsior Life Insurance Co. to succeed T. A. DARK who has been granted four months' leave of absence. Mr. Dark, upon his return, will continue as actuary of the company.

The Imperial Bank announces the following staff changes:

C. E. MERRIMAN, formerly of Main branch, Niagara Falls, is now manager of the new branch, Victoria Ave., Niagara Falls, Ont.

J. S. W. CLOWES, formerly accountant, Nelson, B.C., has been appointed manager, Creston, B.C.

R. D. Forrester, formerly accountant, Edmonton South, has been appointed accountant, Nelson, B.C.

C. F. NAPIER, formerly attached to Edmonton staff has been appointed accountant, Edmonton South branch.

G. WELFORD, who has been accountant-in-charge at Richards' Landing for the past five or six years, has now been appointed manager, Richards' Landing, Ont.

J. S. INK, formerly attached to Montreal branch, has been appointed accountant, Niagara Falls, Ont.

A. S. ARNOLD, formerly accountant, Niagara Falls, Ont., has been transferred to Montreal, P.Q.

R. H. OLDHAM, formerly accountant, Wilkie, Sask., has been appointed accountant, Moose Jaw, Sask.

H. W. THOMSON, formerly accountant, Moose Jaw, Sask., has been transferred to the accountant's department, Winnipeg, Man.

J. F. STOBBE, recently acting as teller-accountant, Wynyard, Sask., has been transferred to Wilkie, Sask.

Royal Bank of Canada Asks Approval of Capital

From Our Own Correspondent

MONTREAL.—Royal Bank of Canada has given notice of its intention to apply to the Treasury Board for a certificate approving the by-law enacted by the shareholders increasing the capital stock from $40,000,000 to $50,000,000, by the creation of an additional 100,000 shares each of the par value of $100.

In November, 1928, 50,000 shares were allotted to shareholders at $200 per share, increasing the subscribed and paid-up capital to $35,000,000 presently outstanding.

OIL STOCKS

Much interest is now focused on the oil fields of Canada, and there has been a very general demand for complete and impartial information to guide investors and would-be investors.

In response to this demand The Financial Post has gathered, through the efforts of our own trained staff who have personally visited the majority of the properties, all the facts obtainable on the subject. This information is now available to the public in The Financial Post Survey of Canadian Oils, just off the press.

Clearly and concisely each oil field is covered. Over 1300 companies incorporated to operate or prospect are listed; description of property; extent of development work; production; earning records; details of royalty obligations and drilling contracts; stock market records, etc., are given.

A feature of special interest and value to any prospective buyer or present holder of oil stocks is the large specially prepared oil maps appearing in each section. With these you can locate exactly the position of any well, and its relation to the oil-bearing areas.

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PROVINCIAL BANK HEADS CONFIDENT CURRENT OUTLOOK

Annual Addresses Tempered by Few Adverse Factors

From Our Own Correspondent

MONTREAL.—Satisfaction at the conditions of affairs within the country and results achieved last year, were expressed by Hon. Sir Hormisdas Laporte, president, and Charles A. Roy, general manager, of the Provincial Bank of Canada, at the annual meeting of shareholders.

Adverse factors in the business situation were not overlooked, however, and though warnings were sounded on the tie-up of grain and the volume of unemployment, the general tenor of both addresses was one of confidence and optimism. In his speech Sir Hormisdas Laporte said, in part:

Manager Details Progress

"The general conditions of the country are good. The development of our natural resources will no doubt continue by the execution of the projects already made public. Our industries, supported by the capital accumulated during the recent years, are in a position to encourage initiative. After all, conditions are of a nature to induce every one to work steadily to maintain and increase the period of prosperity which it has been our good fortune to enjoy particularly during these last few years.

"We must not lose sight of certain events which have transpired lately, such as, the delay of the sale and exportation of our grain with the consequent decrease in commercial and industrial activities; a slight increase in the number of non-employed, which can be taken as an indication that the public must be cautious in the administration of its business and use of its capital."

Chas. A. Roy's address to the shareholders dealt more with the operations of the bank than with conditions generally. However, his remarks along this line are a reflection of affairs throughout the territory in which the bank operates. His speech follows:

"The operations for our fiscal year ended on Nov. 30, 1929, have been very active, the results, as shown by the report and statement of Profit and Loss Account, which are placed before you, are very satisfactory. The net profits amount to $551,022.27 as compared to $534,248.30 for the year 1928. These profits are the highest ever realized by the bank up to the present and are the result of a greater participation in the commercial, industrial and financial life of the four provinces in which we are represented; I will add that this increase in profits has been obtained in spite of the fact that during the course of the year we have generally increased the average salaries paid to our employees.

"These profits were appropriated as follows:—the usual dividend of 9% representing the sum of $360,000 has been paid to our shareholders; $67,500 has been appropriated for Federal taxes and $48,138.36 as a reduction on real estate, cost of installation and maintenance of new branches, and the balance has been carried forward to the Profit and Loss Account, which account now shows a balance of $441,225.15.

Liquid Position Maintained

"In accordance with the established policy of our bank, a strong liquid position has been maintained; on Nov. 30 last, cash on hand, cheques on other banks, balances due by other banks, Dominion, provincial, municipal and other securities and call loans amount to $29,966,166.30, being equal to over 60% of our obligations to the public.

"Our call loans amounted to $12,416,210.86, fully secured by well chosen and diversified stock market securities with a good margin. We experienced no trouble whatsoever during the rapid recession of prices in stock market securities during October and November last. All margins were met very promptly and owing to our liquid position we found ourselves prepared to offer aid by accepting good securities instead of cash to cover margin calls.

Current Loans Higher

"Current loans to municipalities and school districts amount to $1,667,682.70, against $1,729,456.09 in 1928. Our commercial, industrial and agricultural loans amount to $20,428,156.26, being an increase of nearly $2,000,000, which indicates that our loans have been more numerous and that we have been of assistance to a greater number of enterprises. It is important to note that we do not make loans abroad and our funds are loaned to Canadian firms and Canadian enterprises only.

"The conditions generally in the country were not favorable to an increase in deposits during the fall season. We also have felt this condition which was caused by excessive speculation in local and foreign securities, the withdrawals of deposits being greater during the month of October and November; up until that time we had an increase over the preceding year.

"Our deposits show a decrease of 2½% compared to 4½% for all the banks as a whole. This decrease was only of a temporary nature as our deposits during the month of December resumed their upward trend. You will certainly be interested to know that our average deposits for the year of 1929 were one million dollars higher than for 1928 . . . . "

GENERAL STATEMENT
Years Ended November 30
Immediately Available Liquid Resources

Assets—	1929 $	1928 $
Specie	240,435	235,912
Dom. notes	2,480,989	2,578,885
Gold reserve	850,000	......
Due by for. banks	287,781	433,240
For. currency	59,136	75,642
Govt. sec.	3,844,927	7,389,224
	7,763,268	10,712,903
Loans and Securities Other Than Those of Canadian Government		
Public sec.	1,895,549	1,922,285
Railway sec.	2,945,527	2,871,425
Can. call loans	12,416,210	11,350,227
Curr. & munic. loans	22,005,115	20,132,482
	39,262,401	36,276,419
Due from Other Banks		
Notes of other banks	588,230	594,615
Cheques	2,575,307	2,946,530
Due by other banks	1,782,075	1,762,504
	4,945,612	5,303,649
Other Assets		
Non-curr. loans	99,828	132,349
Real estate	401,788	390,562
Mortgages	503,190	513,075
Lett. of credit	45,670	21,300
Premises	2,165,670	2,135,502
Dep. re circ. fund	203,150	204,400
Sundry assets	185,122	175,600
	3,604,418	3,592,788
Total	55,575,699	55,865,809
Assets—		
To the Public		
Circulation	4,916,129	3,869,771
Govt. advances	1,250,000	1,500,000
Dom. govt.	362,395	427,894
Prov. govt.	87,528	177,174
Deposits by Public:		
Demand dept.	7,001,571	7,152,776
Savings dept.	35,676,175	36,679,756
To Banks Abroad, etc.:		
For. banks	150,218	26,329
Lett. of credit	45,670	21,300
Sundry liabs.	49,279	50,739
	49,538,965	49,905,739
To the Shareholders		
Dividends	95,509	94,228
Reserve	1,500,000	1,500,000
Capital	4,000,000	4,000,000
Surplus	441,225	365,842
	6,036,734	5,960,070
Total	55,575,699	55,865,809

.. INCOME AND SURPLUS ACCOUNT ..
INCOME AND SURPLUS ACCOUNT
Years Ended November 30

	1929 $	1928 $	1927 $
*Net profit	551,022	534,248	508,608
Less appropriations:			
Dividends	360,000	360,000	360,000
Appr. for prem.	48,138	53,817	51,034
Res. for taxes	67,500	65,000	63,600
Surplus for year	75,384	55,431	33,974
Surp. for prev. yr.	365,841	310,410	276,436
Surplus car. forw.	441,225	365,841	310,410

*After deducting charges of management and providing for all bad and doubtful debts.

BUREAU PROSECUTES N.S.F. CHEQUE ISSUERS

Court Action Urged to Curb the Activity of Swindlers

The problem of the N.S.F. cheque is the subject of a recent bulletin issued by the Better Business Bureau of Montreal in which a list of some 40 prosecutions made by the bureau during the past three months arising from issuance of N.S.F. cheques. While the evil has always existed under the present system of banking and is almost impossible to eradicate, there is a limit to the action which may be taken by business houses that have suffered.

The course of action recommended by the Better Business Bureau is legal action after a consideration of the merits of each case which may arise and where there may be just cause. The list issued by the bureau gives the names of offenders, the charge and the amount involved and the result of the prosecution. Cases in which the issuer of the cheque was found guilty resulted in sentences of from 15 days to three years in jail. In several of the cases restitution was made and the case was dismissed.

The Bureau directs attention to its policy of continuing prosecution even though restitution has been made. The Bureau will never under any conditions, withdraw a warrant of arrest or attempt to use the criminal court as a collection agency.

E. A. PIERCE EXTENDS FIELD OF ACTIVITY

Brokerage Business of Merrill, Lynch & Co. is Acquired

E. A. Pierce & Co., brokers, have extended their activities to the field of investment banking with the acquisition of the entire retail sales and stock commission organization of Merrill, Lynch & Co., including branch offices in Chicago, Denver, Detroit and Los Angeles. E. A. Pierce & Co. will continue its commission business and is retaining memberships in 33 of the security and commodity markets in the United States and Canada.

Merrill, Lynch & Co. will continue to do an investment banking business, specializing in the financing of corporations.

Six of the general partners and two of the limited partners of Merrill, Lynch & Co., will become general and special partners respectively of E. A. Pierce & Co. These partners include those who have been in the buying and selling department of the acquired company. In addition to holding memberships on the chief exchanges of the United States, E. A. Pierce & Co., are members of the following Canadian exchanges: Toronto Stock Exchange, Vancouver Stock Exchange, Vancouver Merchants Exchange, and the Winnipeg Grain Exchange.

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BRITISH AMERICAN BANK NOTE
COMPANY · LIMITED
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CAN. PERMANENT WILL MOVE INTO NEW HEAD OFFICE

Marks 75th Anniversary of Founding in Old Building

Marking the 75th anniversary of its founding on March 1, the Canada Permanent Mortgage Corp. will shortly thereafter move from its present head office into more modern and commodious quarters in the Canada Permanent Building, which stands, 18½ stories high, on Bay St., Toronto. With a business history extending back before Confederation, the corporation has just concluded one of the most successful years of its career and with the annual meeting held recently completed the last of such meetings in the old head office of the company, which has been occupied by the company since it was originally completed in 1858.

The present corporation was originally called the Canada Permanent Building and Savings Society upon incorporation in 1855 and had its origin in two terminable building societies. When the company was founded Toronto was a city of 39,000 population and kerosene lamps were "a new amazing discovery." Favorable economic conditions at the inception of the company changed in 1857-58, but the company survived the crisis and in 1859 was changed from a mutual benefit society to a loan and savings company with permanent capital and regular dividends to shareholders. In 1874, the name of the company was changed to the Canada Permanent Loan and Savings Company and the following years were marked by steady progress.

Expands Business

Business depression in the last decade of the 19th century resulted in the company acquiring the Western Canada Loan and Savings Co., the Freehold Loan and Savings Co. and The London and Ontario Investment Co. In 1900 upon completion of the merger the company was re-incorporated as the Canada Permanent and Western Canada Mortgage Corporation, which, in 1903, was shortened to the present title. In 1913 the corporation formed a subsidiary, The Canada Permanent Trust Company, and in 1918 absorbed The Oxford Permanent Loan and Savings Society, and in 1921, The London and Canadian Loan and Agency Company.

More recent acquisitions of the corporations include The Royal Loan and Savings Company of Brantford and the British Columbia Permanent Loan Company of Vancouver in 1927 and The Canada Landed and National Investment Company in 1928.

The last annual statement of the company for the year 1929 showed the assets of the company at $66,556,017 and a paid-up capital of $7,000,000, and reserve of $8,000,000. Dividends have been paid regularly since 1860.

FULLER OF CANADA DECLARES DIVIDEND

Participating Preferred Stock Receives $4.79 Plus Usual Payment

From Our Own Correspondent

MONTREAL.—A participating dividend of $4.79 a share has been declared on the preferred stock of George A. Fuller Company of Canada. The dividend is paid out of residuary net profits for eight months ending December 31, 1929, and is a reflection of satisfactory earnings. Proof of this is seen in the fact that the participating dividend for the full twelve months of the previous fiscal period ended April 30, 1929, amounted to $4.38 a share.

The participating dividend is paid in addition to the regular disbursement of six per cent on the preferred shares; the company has changed its fiscal year to end December 31, which explains the disbursement for the eight months period.

Among the more important buildings constructed by the Fuller Company of Canada are included: The Royal Bank Building, Montreal; the Bell Telephone Building, Montreal; the Royal Bank Building, Toronto; C.P.R. Building, Toronto; Chateau Laurier Hotel, Ottawa; Fort Garry Hotel, Winnipeg; Ritz-Carlton Hotel, Montreal, Metropolitan Life Insurance Company's Building in Ottawa, Dominion Square Building at St. Catherine and Peel Street, Montreal; the Abitibi Power and Paper Company Building, Toronto.

Monthly Bank Clearings

Eastern Cities

	Jan., 1929	Jan., 1930
Montreal	$755,624,464	$583,962,698
Toronto	744,585,149	588,570,338
Halifax	17,507,059	14,339,951
Saint John	12,940,628	......
Moncton	4,242,779	4,318,011
Quebec	30,076,203	27,492,242
Sherbrooke	4,145,017	3,790,845
Ottawa	40,665,862	30,875,093
Peterboro'	4,537,348	3,557,956
Kingston	3,911,291	3,394,242
Hamilton	27,927,393	29,958,030
Brantford	6,110,077	5,120,252
London	15,420,596	13,919,526
Kitchener	5,695,149	5,461,090
Windsor	25,260,308	13,671,375
Sarnia	3,176,061	3,045,771
Chatham	3,538,796	3,181,210

Western Cities

	Jan., 1929	Jan., 1930
Fort William	$ 4,173,622	$ 3,444,985
Winnipeg	227,514,355	195,971,411
Brandon	2,652,326	2,169,430
Regina	24,986,358	......
Moose Jaw	5,937,374	4,720,490
Prince Albert	......	1,859,468
Edmonton	30,043,569	......
Calgary	61,775,949	47,054,788
Medicine Hat	2,244,679	1,469,451
Vancouver	105,738,357	92,394,469
New Westminster	4,221,483	3,818,858
Victoria	12,238,263	10,766,554
Saskatoon	10,829,728	......
Lethbridge	......	2,417,609

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities

	Jan. 31, 1929	Jan. 30, 1930
Toronto	$177,825,012	$118,034,994
Montreal	158,399,651	112,182,808
Saint John	2,814,980	2,064,692
Moncton	851,177	959,727
Halifax	3,483,485	2,798,772
Quebec	6,650,380	5,215,983
Sherbrooke	827,949	800,420
Ottawa	8,464,737	5,889,017
Kingston	825,116	654,616
Peterboro'	834,551	709,077
Hamilton	5,883,606	7,198,776
Brantford	1,306,641	937,359
London	2,922,502	2,845,383
Kitchener	1,149,938	1,196,003
Sarnia	532,403	445,527
Chatham	782,600	639,066
Windsor	5,472,984	3,704,194

Western Cities

	Jan. 31, 1929	Jan. 30, 1930
Winnipeg	$42,775,738	$31,095,320
Brandon	513,891	345,705
Regina	5,672,504	3,257,159
Saskatoon	1,800,095	1,765,093
Prince Albert	......	341,298
Moose Jaw	961,580	752,578
Calgary	11,540,753	10,872,244
Edmonton	5,406,100	5,371,066
Medicine Hat	484,938	231,118
Lethbridge	570,850	427,706
Vancouver	21,369,978	19,577,682
New Westminster	889,629	718,159
Victoria	2,805,121	2,016,963
Fort William	651,862	632,541

MACKINNON STEEL MAINTAINS PROFITS ON GOOD TURNOVER

New Brunswick Bridge Contract Recently Awarded

From Our Own Correspondent

MONTREAL.—MacKinnon Steel Corporation has been awarded a contract for the metal super-structure of the Kelly Creek Bridge in New Brunswick which involves an expenditure of about $8,000. The contract embraces the supply and erection of one through rivetted steel truss span of 102 feet with concrete flooring. The entire work is to be finished before the 1930 tourist season begins.

Current operations of the company are said to be satisfactory and further business is anticipated in addition to a substantial volume of orders already on hand. The company's plant is located in Sherbrooke, Quebec, its activities are largely confined to Eastern Canada.

Though the company has not yet published a statement covering 12 months operations, a report for the period from October 20, 1928 to July 31, 1929 showed a profit of $79,847. This sum, however, included deduction of all operating expenses, income tax, provision for inventory reserve and organization expenses. Thus considerable write-offs were made which strengthened the equity of the common shareholders and places the company on a stronger financial footing.

Earnings Are Maintained

The sum of $18,000 was written of for depreciation leaving a net profit of $61,847 or the equivalent of $2.53 a share on the common stock after payment of preferred dividend. Capital stock comprises $600,000, 7 per cent preferred and 12,000 shares of no par value common stock.

Earnings during the current year have been satisfactory. Profits for the five months period ended December 31, 1929 were in the neighborhood of $6.50 a share on the common, while a strong working capital position has been maintained.

Due to the fact that an inventory reserve was set up and all organization expenses were written off from earnings in the last fiscal period, the outlook for per share earnings, is more favorable this year.

Montreal Island Power Acquire All Needed Land

From Our Own Correspondent

MONTREAL.—Expropriation proceedings connected with the acquisition of lands on both sides of the Rivière des Prairies by the Montreal Island Power Company, which has a hydro power plant at Sault au Recollet, have been completed by the Public Service Commission.

The company has not merely acquired the areas to be permanently flooded. Additional strips have been bought to take care of occasional floodings on either bank caused, for instance, by high winds when, at various points, the waters might rise another foot; and also to take care of infiltration under the new conditions. Those strips also may serve for the passage of transmission lines in the future. Meanwhile, proprietors having land immediately behind those strips will preserve, conditionally, their water front privileges; the company will allow them to go to the water across the company property.

In fixing the amounts to be paid to owners whose cases went before it, the Commission decided that there was no damage to the district in general. Damages have been estimated in each individual case where they existed. One of the points to be considered in that connection was the plea of a few proprietors that, with the dam built, there will be no more fishing in the river over that section; they were people who fished commercially. Another point which the Commission considered, in regard to properties west of Pont Viau, was that the dam will improve navigation and will cut down the rapids heretofore existing opposite Bordeaux.

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Western Empire Life ASSURANCE COMPANY

EXTRACTS FROM 1929 REPORT

Assets	$ 1,712,877.48
Premium Income	308,996.28
Interest Earned	108,282.72
Policy Reserves	1,280,945.00
Insurance Issued	2,205,197.00
Insurance in Force	11,600,404.00
Paid to Policyholders and Beneficiaries since commencing business	393,093.56

High Interest Earnings

Interest Earnings of the Company—7.60% on the mean Ledger Assets—the very favorable mortality experience and the moderate expenses are again reflected in the splendid profits being paid to Policyholders.

Write for Copy of Annual Report.

HEAD OFFICE - WINNIPEG, MAN.

WM. SMITH, President.
HON. R. W. CRAIG BRIG.-GEN. H. M. DYER, Vice-Pres.
F. C. O'BRIEN, Secretary-Treasurer.

Annual Statement

(Condensed)

Year Ending December 31st, 1929

New Business Issued	$ 85,236,853.00
Business in Force	592,370,122.00
Assets	118,923,990.02
Liabilities	114,585,711.37
Income	28,098,058.00
Gross Surplus Earned	5,753,797.30
Provision for Future Profits to Policyholders	10,440,324.00
Unassigned Profits and Contingency Reserve	4,338,278.65

Protection with Profit

Of the 75 Million Dollars paid to policyholders and their beneficiaries since the Company was first founded in 1892, over 48 Million went to living policyholders, while 27 Million went to beneficiaries as death claims.

The Great-West Life Assurance Company
HEAD OFFICE — WINNIPEG

DOMINION TAR BUYS CONTROL OF ALTA. WOOD

Acquires Balance of Outstanding Shares of Common

PROGRESSIVE STEP

Co-ordination of Activities is Favorable Factor in Outlook for Future

From Our Own Correspondent

MONTREAL.—Further expansion of Dominion Tar and Chemical Company's operations is seen in its acquisition of virtually all available shares of Alberta Wood Preserving Company, Limited. A subsidiary of Dominion Tar, Canada Creosoting Company, Limited, holds 45 per cent of the issued common shares of Alberta Wood and the remainder now is owned by Dominion Tar. Thus the western company is controlled by Dominion Tar; the co-ordination of activities should make for economy and strengthen the position of Dominion Tar and Chemical in the future.

Alberta Wood Preserving Company has 50,000 shares of no par common issued and $450,000 of 7 per cent preferred stock. The company is engaged in a general creosoting business and its work will fit in well with the operations of Canada Creosoting Company with whom it has been closely affiliated in the past.

Operates in Calgary

The company operates a property at Calgary and is engaged in the creosoting of timber such as railway ties, bridge and culvert timbers, telephone, telegraph and power transmission poles. Long term contracts are held with the Canadian Pacific Railway for the treatment of ties, poles bridging, etc.

While it is not thought that acquisition of Alberta Wood Preserving will have any immediate effect on Dominion Tar or necessitate any change in the present capital structure it nevertheless represents a definite forward step and one which will establish the company still more strongly in the tar and creosoting business. With Alberta Wood will be acquired its subsidiary British Columbia Wood Preserving Company, which is constructing a plant at New Westminster; the new unit is expected to come into operation shortly.

Has Good Location

The location of British Columbia Wood Preserving Company's plant on the Fraser River will provide it with excellent facilities for shipping as it is within navigable distance of the sea. Thus supplies of creosote will be available from Dominion Tar's plants in Nova Scotia or from foreign sources.

Sales of Alberta Wood Preserving for the 13 months ended October 31, 1929, amounted to $1,300,000, while earnings for nine months ended September 30, 1928, after all charges, totalled $56,647 or over 50 cents a share on the common stock after preferred dividends. Under the active management of Dominion Tar and Chemical Company the western firm should make still further progress.

Current Business Good

Current operations of Dominion Tar and Chemical are said to be satisfactory. Though there is always a seasonal slackness in creosoting operations during the winter months it is thought that substantial orders have necessitated a high rate of operations at some of the plants, while the tar units are busy distilling large volumes of creosote for use later on in the year.

Shawinigan Statement Reflects Improvements In Company's Position

Earned $2.34 Per Share on Common in 1929

BIG PLANS PROJECTED

Power Resources Now Over 2,000,000 H.P.—Balance Sheet Reveals Changes

From Our Own Correspondent

MONTREAL.—Both gross and net earnings at a new high mark, are reported by Shawinigan Water and Power Company for the past year. Further, the annual statement sets forth the developments which have taken place over the past 12 months and gives in detail plans underway, which will go far toward further consolidating its position as the largest producer of electric energy in Quebec.

Gross earnings for the past year amounted to $13,475,862, which after taking care of all prior charges, except depreciation, left $5,907,979 available for distribution to the shareholders.. This compared with a gross profit of $11,562,331 and net before depreciation of $4,848,523, recorded in 1928.

On a per share basis, earnings in 1929 were equivalent to $2.34. This compares with $2.17 reported in 1928. These earnings may appear low, in view of the fact that the company is now paying $2.50 a share in dividends, but it should be remembered that the company issued 311,178 additional shares of common stock, which did not become entitled to dividends until mid year. Therefore on the basis that only half of this stock was outstanding during the full year, earnings in 1929 were equal to $2.52 a share.

Income Account Changes

The income statement shows a number of interesting changes. Operating expenses, maintenance and repairs, taxes and insurance, general expenses and water storage rentals paid to the government, were all higher. These items, however, were offset by a decline in power purchased from $2,435,246 to $1,224,814. Fixed charges were also higher, but the amount available for distribution to the shareholders, after taking care of depreciation, was $5,107,979, as against $4,048,523 in 1928.

During the year the company paid three quarterly dividends of 50 cents a share and in the last quarter one of 62½ cents. The additional distribution to the shareholders required about $1,500,000 as shown in the following income account for the past two years:

	1929	1928
Gross income	$13,475,863	$11,562,331
Less:		
Oper. expenses	950,757	521,402
Power purchased	1,224,814	2,435,246
Main. and repairs	925,750	572,330
Taxes and ins.	447,545	294,280
Gen. expenses	862,209	436,280
Water stor. and rentals	299,053	204,270
Balance	$8,765,733	$7,098,523
Fixed charges	2,695,673	2,025,000
Int. paid Laurentide Co.	162,080	225,000
	$5,907,979	$4,848,523
Depreciation	800,000	800,000
	$5,107,979	$4,048,523
Brought forward	1,475,653	937,338
	$6,583,632	$4,985,861
Dividends	4,317,603	2,861,428
Reserve account	952,022	196,089
Surplus*	$1,314,027	$1,928,344

Assets Are Higher

Development of the company since the publication of the 1928 balance sheet is apparent in an increase of $12,763,534 in total assets. Current assets at the end of 1929 are set down at $6,262,107, against current liabilities of $3,140,942, leaving a net working capital of $3,121,165. This is a marked gain over the preceding year, when net working capital totalled $1,327,192.

Fixed assets at December 31, 1929, totalled $151,144,611, a gain of about $12,613,000 over 1928. Power development and property are shown on the books at $73,603,663, an increase of approximately $5,500,000. This figure, however, does not include deferred payments of $1,650,000 on properties purchased, but not included. The investment in machinery is up about $3,400,000 to $20,693,067. The value of the transmission and distribution system shows a marked gain of nearly $11,000,000 to $28,014,012. Part of the increase recorded by the foregoing three items is offset by the decline of about $7,300,000 to $28,833,868 in securities of subsidiary and other companies. The capital reserve remains the same at $11,220,111.

There are several interesting changes in current assets, including a drop of $501,958 to $1,035,622 in cash and of $45,000 to $1,000,000 in call loans. Accounts receivable are down $45,000 to $2,590,883. Moveable plants and stores, on the other hand, is up $478,107 to $1,318,922, while prepaid charges have advanced $140,793 to $316,678.

Pay Off Laurentide

The liabilities side of the balance sheet shows several important changes. The item of $10,800,000 owing on the purchase of Laurentide Power, appearing on last year's balance, was paid off last July. Capital stock is written up $15,558,900 to $72,239,435. Good headway was made in redeeming some of the funded debt. There are now outstanding $51,104,500 of first mortgage bonds, a decline of $558,500 in bonds redeemed but a net increase of $6,104,500 in amount, owing to the issuance of a block of $6,000,000, series "B" during the early part of the year. Some $126,000 of the Laurentide Power first mortgage bonds were redeemed, leaving outstanding $6,410,000, while the amount of the second mortgage bonds of the same company outstanding was cut down $8,000 to $1,459,500.

Among current liabilities, the most notable change was in accounts payable, which now stand at $1,035,565, a decrease of $1,131,824 from 1928.

Reserves Show Strength

There is a healthy increase in all the reserves. Reserve account now amounts to $2,000,000, an increase of $1,000,000, part of which was transferred from surplus account. Contingent and insurance fund advanced $40,648 to $816,691; depreciation and renewal reserve, up $2,461,827 to 7,701,510; while surplus was off $614,317 to $1,314,027.

The most significant feature of the report has to do with the developments on the Upper St. Maurice River. Surveys were completed late last fall and plans have now been drawn up for the establishment of six power plants, which, when compete, will add over 1,000,000 horsepower to that already developed.

The first development is one of 160,000 h.p. at Rapide Blanc, the construction of which will commence early in spring. Under agreement with the provincial government, the other sites will be developed within the next decade.

At present the company possesses developed power resources 803,650 h.p., including 100,000 h.p. purchased from the Duke-Price Power Company and 10,000 h.p. bought from Southern Canada Power Company. Furthermore plans call for the installation of 55,000 at La Gabelle and Grande 'Mere during 1930, bringing the total up to 858,650 h.p.

Power Available

The amount of paper which the company has undeveloped on the Upper St. Maurice River and other points within the zone of operations, totals 1,144,000 h.p. Thus Shawinigan on present surveys, has a potential development of over 2,000,000 h.p.

Consolidate Small Units

Another interesting development during the year was the absorption of the Portneuf Power Company, North Shore Power Company, St. Francis Light and Power Company, Sorel Light and Power Company, and Electric Service Corporation.

These assets were formerly carried in the balance sheet under "Securities of subsidiary and other companies," but are now carried in the various property accounts covering the assets of Shawinigan. Gross earnings and expenses of these companies are included in the 1929 profit and loss account. This consolidation will bring about economies in the operation of the distributing systems.

More Normal Growth

Though pointing out that it seems unlikely the increase in electric power, which has been going on at a rate far beyond the average, will continue at its present rate, J. E. Aldred, president of the company, takes a constructive and optimistic view on the immediate outlook for the company. In his address to the shareholders, he said in part:

Chemicals at Capacity

The plants of the Shawinigan Chemicals Limited have been operated at full capacity during the year. Improved methods have brought about reductions in the manufacturing costs of the various products. Extensions and improvements to the plants which will be completed early in 1930 will result in further reducing these costs.

The sales of the company's products in the United States are handled by Shawinigan Products Corporation, New York City; sales in Great Britain and Europe are handled by Shawinigan Limited, London England. Both of these sales companies are fully owned subsidiaries.

The Research Department of the Chemicals Company, which has been increasingly active during the past ten years, has been provided with a new laboratory at Shawinigan Falls. The main effort is directed toward the development of new products, and the results to date have been of material interest to the company. Methods for the manufacturing of solvents used in the lacquer industry have been successfully worked out.

The policy of the company has been to sell power at reasonable prices, and to encourage industry by distributing and making available power from the great natural resources of this province. Your directors, in concluding this report, believe that the prosperity of the company is bound to continue with the development and prosperity of the Province of Quebec.

Records Striking Growth

The items set forth below indicate in a striking manner the steady growth of the company since 1909.

	1909	1929
Total assets	$16,405,615	$146,186,607
Capital stock (1929—2,178,250 shares no par value)	7,000,000	72,239,435
Funded debt	7,900,000	58,974,000
Gross earnings	819,171	13,475,862
Net earnings, after operating and fixed charges	321,306	5,907,979
Dividends	260,000	4,317,603
Number of shareholders	2,000	16,037
Developed h.p., including power sold as hydraulic power	96,000	803,650
Kilowatt hours generated and delivered	350,000,000	3,460,531,057
Miles of transmission and distribution lines in operation	320	3,500
Number of customers	2,500	99,354

Home Well No. 4 Is Still on Test

From Our Own Correspondent

CALGARY.—Home No. 4, which blew in last Friday night, has not been thoroughly tested as yet. Bits of formation still are breaking loose and backpressure is being applied.

The flow is estimated at 20,000,000 cubic feet. The well is down 5,584 feet, 175 feet in the limestone.

FAMOUS PLAYERS DEBENTURE RIGHTS CHANGE IN APRIL

Stock Purchase Privilege Gives Holders Nice Profit

From Our Own Correspondent

MONTREAL.—The change in the stock purchase privilege attached to the Famous Players Canadian Corporation 6½ per cent debentures, which becomes effective on March 31, will likely add to the outstanding number of common shares. At present the holders of a debenture may purchase 10 shares of common stock at $25 a share; after March 31 he will have to pay $30 a share if he exercises this privilege.

While this right attached to the debentures has proved more than generous to investors, it has not worked so favorably for the company. In return for $250 the company issues 10 shares of common tock on which it now pays a dividend of $2 a share. In other words, new money obtained by Famous Players in this way costs 8 per cent.

After March 31, funds obtained from the operation of the stock purchase privilege will cost the company 6.6 per cent, since debenture holders must pay $30 a share for the common stock they purchase under the privilege attached to the debenture.

Market Profit Seen

There is also a good profit to be made in a straight market transaction at present prices. If ten shares are bought at $25 a share the total sum involved is $250, while the market value of Famous Players common is around $49 a share representing an immediate gain of $240, or a profit of just under 100 per cent.

National Grocers' Earnings Reported Slightly Increased

Net earnings of National Grocers Company, Ltd., for the four months ended October 31, 1929, are reported at $271,382, after depreciation but before income tax. This compares with net earnings of $265,244 for the corresponding period of 1928 and shows an increase of $6.138, or over 2.3 per cent.

The fiscal year of the company ends on June 30, and as at that date in 1929 the company reported net earnings of $695,016 prior to depreciation, bond interest and income tax. Net profits of $430,628 were available for dividends, which were paid at the rate of 8 per cent on the first preferred and 7 per cent on the second preferred. No dividends have been paid on the common shares as yet.

National Brew Postpones Building of Big Bottler

$500,000 Addition to Plant Now Deferred for Year or Two—No Capital Expenditure in 1930

From Our Own Correspondent

MONTREAL.—National Breweries have decided to postpone for the time being, the erection of the big new bottling plant, announced in The Financial Post several months ago.

The new bottling plant which was originally planned to get underway within a few weeks time, was to replace the old Dow offices on Notre Dame Street, and was to have a capacity of 500,000 bottles per 10-hour day. The estimated cost of the plant was over $500,000, and when erected it was to be the finest unit of its kind in Canada.

Various reasons are given for delaying the project, which has apparently been shelved for a year or so. The main reasons given are the inability of the management to decide upon the proper location for this plant, and also the fact that recent additions to the company's storage plant has eliminated to a certain extent, the immediate need for this new bottler.

1930 Demands Light?

Athough no statement has been made to this effect, another important reason for delaying the big project, may quite possibly be that the management do not anticipate a growth in business during 1930, commensurate with that of previous years, and have decided to conserve this heavy capital expenditure until such time as conditions in the country warrant such a large addition to plant.

It must be remembered that the decision to erect the plant was made prior to the present business recession and many months prior to the break in the stock market.

As far as 1929 earnings are concerned, little change is expected from the previous forecast that the company will show a normal increase from 1928 figures, or, to be more precise, earnings of between $10 and $11 per share on the old stock. The 1928 figure was $8 per share. This would be equivalent to either $2.50 or $2.75 on the new shares, following the four for one split which took place at the end of 1929.

No Funded Debt

It will be remembered that the company retired its funded debt in 1928 and the only charge ahead of the common shares at the present item is 2,775,000 of preferred stock with annual dividend requirements of $194,250. During 1929, the company spent approximately $1,550,000 on additions to property and equipment.

As for 1930, now that the new bottler has been shelved, it is understood that no capital expenditures are contemplated for the year. The postponement of the bottling extension as already pointed out, may in all probability be taken as an indication that the company does not expect any substantial increase in demand in 1930 which would tax present equipment.

OTTAWA TRACTION REPORTS PROFITS OTTAWA ELECTRIC

Ottawa Electric Earns $4.38 on Outstanding Stock

From Our Own Correspondent

MONTREAL.—The report of the Ottawa Traction Company, Limited, for 1929 shows few changes in the balance sheet position. The company does not publish an income account; its sole revenue is obtained from dividends and interest on its holdings of Ottawa Electric Railway Company securities. Dividends were suspended in 1928, since Ottawa Electric Railway deferred its common payment in that year.

Assets show cash at $2,445 and sinking fund deposit of $1,518. Interest receivable on Ottawa Electric Railway Company bonds totals $78,776, which is slightly lower than the 1928 figure, due to bond redemption. There are now $2,864,600 of these bonds outstanding as opposed to $2,912,040 in the previous year.

The company carries 34,884 shares of Ottawa Electric Company at $5,581,500, which corresponds to last year's figure.

Liabilities include bond interest payable of $78,663, as opposed to $79,997, bonds outstanding amount to $2,860,500 as compared with $2,909,000.

Publish First Statement

The first financial statement of the Ottawa Electric Railway Company, subsidiary of Ottawa Traction Company, Limited, to be published clarified the financial position of the company. Heretofore no statement of revenue and expenditure or balance sheet has been issued, and though dividends on the common stock were suspended in 1928, the actual earnings of the company were unknown.

Gross revenue for 1929 amounted to $1,887,123. After deduction of operating expenses, depreciation and provision for income tax there remained a net revenue of $336,781. Bond and other interests, bond discount and other financial charges totalled $182,589, leaving a balance carried to surplus of $154,191.

This compares favorably with a surplus of $89,063 in 1928 and is equal to $4.38 a share on the common stock outstanding. Though no previous figures are published a drop in earnings is indicated since dividend payments in years previous to 1927 were eight per cent higher.

No Working Capital

Balance sheet position shows an excess of current liabilities over current assets of $141,759, with current liabilities totalling $362,766, as compared with current assets of $221,007.

Fixed assets, which include rolling stocks, power plant and equipment, Britannia Park, real estate and miscellaneous assets, is carried at $8,499,632 and deferred charges amount to $100,590. An item of $449,301 comprises a deficit at December 31, 1927.

Liabilities reveal first mortgage bonds outstanding to the extent of $2,864,600, while depreciation reserve amounts to $2,251,070 and a reserve for Dominion income tax, benefits and bond discounts totalled $29,140.

An interesting feature of the report is a statement showing items added to and written off fixed assets during the year. This shows in detail the various expenditures made in 1929 on rolling stocks, tracks and power plants with the cost assets written off to depreciation reserve. Net additions to fixed assets totalled $124,460, while $21,337 was written off leaving net additions of $103,123.

Earnings Touch Peak

A graph showing the trend of earnings since 1924 is included in the statement, and shows that earnings in the month of January, 1929, established a record, while earnings in September, 1928, one month after the increased fare took effect, touched a new low point.

Following is a statement of revenue and expenditure during 1929:

	1929
	$
Gross revenue	1,887,123
Operating expenses	1,281,089
	606,034
Deduct:	
Income tax	13,406
Depreciation	225,848
Net revenue	336,780
Deduct:	
Bond and other interest	174,243
Bond discount	5,820
Other charges	2,526
	182,589
Balance treas.	154,191

Beauharnois Railway Seeks Incorporation

From Our Own Correspondent

MONTREAL.—Incorporation of the Beauharnois Railway Company as a belt-line electric railway to link up towns in the Valleyfield-Beauharnois peninsula is being sought before the Quebec legislature this week. Part of this peninsula will become an island on completion of the company's canal project, and the new proposed tramline will supply their populations direct connections with existing railway lines.

For the present time the new railway, which would be a direct subsidiary of the Beauharnois Light, Heat & Power Co., will content itself with serving existing needs of freight and passenger transportation, although eventually it might be extended to provide more adequate facilities for the community.

In addition to the above bill of incorporation, plans to amend the Beauharnois Light, Heat and Power Co., charter, are also before the Quebec parliament. This bill has now passed the committee of the Legislative Assembly, and provides for financial administrative re-adjustment and also allows the company to expropriate on a width of 21 arpents instead of 6 arpents, as in the original charter. In this connection, it was stated in committee, an answer to a question, that the company had already spent $3,800,000 on the purchase of land.

QUEBEC POWER ANNUAL REPORT WILL SHOW GAIN

Per Share Earnings Not Expected to be Unusual

From Our Own Correspondent

MONTREAL.—Report of the Quebec Power Company, to be submitted to the shareholders this week-end, will reveal a healthy growth in all departments. From reliable sources, it is learned that the statement will not show any marked gain in earnings, though the financial position of the company as a whole, will be further improved.

A goodly part of the report will deal with improvements undertaken by the company, as announced early in October, when stock rights were offered to the shareholders. These include additions to the Queen St. sub-station in Quebec and the distributions of the city and district have been extended and duplicating lines eliminated.

Heavier tracks have been laid and additional cars purchased for the street railway service. Further an addition of some 45 rooms has been made to Kent House to cope with increasing tourist traffic.

While the money received from the offering of stock has largely gone to cover expenditures in connection with these improvements, part of the current earnings have also been diverted for the same purpose.

The fact that the company increased the dividend on the common stock from $2 to $2.50 during the third quarter, may be taken to indicate that the reported earnings will be close to that figure.

During 1928 the company reported a gross income of $3,198,487, as compared with $1,572,230 in the previous year. After taking care of all prior interest charges, there remained a net profit in 1928 of $1,199,724, an increase of $343,497 over that reported in 1927. This was equivalent to $2.39 a share, as against dividend payments of $2 in that year.

Whether the company will be able to show a proportionate increase this year is rather doubtful. While Quebec Power is understood to have continued to make headway, the increase in net earnings may not be so pronounced.

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Offices in 51 Cities — Assets Over $32,000,000

DEBENTURES FOR SALE

Bids will be received up to noon, February 20th, for the purchase of the $23,460.00 5½ per cent, 20-year issue of Township of Pelee drainage repair debentures, by the undersigned, and further information given if necessary.

WILLIAM STEWART,
Clerk of the Township of Pelee.

BRITISH CANADIAN TRUST COMPANY
Incorporated by Special Ordinance of the Northwest Territories of Canada (1901 Chapter 35) to Act as
Executor, Administrator, Mortgage Loans, Authorized Trustee
Trustee, Guardian Rental Agents in Bankruptcy
INSURANCE
Managers: BRITISH CANADIAN FINANCE, LIMITED
Office — 321 6th St. S. LETHBRIDGE, ALBERTA
H. D. ROOD, Manager and Secretary

GEORGE A. FULLER COMPANY of CANADA LIMITED

BUILDING CONSTRUCTION

DIRECTORS

R. B. Babbage,	H. T. Hunter,
H. S. Black,	N. L. C. Mather,
W. A. Black,	Wilmot L. Matthews,
L. R. Crandall	J. F. McPherson,
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The PORTAGE LA PRAIRIE FARMERS' MUTUAL FIRE INSURANCE COMPANY

Head Office—Portage la Prairie, Man.

FORTY-SIXTH ANNUAL REPORT

Cash Assets	$ 576,767.54
Premium Note Assets	854,140.21
Surplus Assets over Liabilities	1,399,694.75
Insurance written in 1929	23,061,787.00
Increase for the year 1929	1,292,117.00
Total amount of business in force	68,515,652.00

STRATTON WHITAKER, Secretary-Manager
E. H. MUIR, President — M. G. TIDSBURY, Vice-President
A. H. THORPE, Treasurer

This Company, operating entirely in the Province of Manitoba and essentially Manitoba's Own Farmers' Mutual, is the oldest Co-operative in Western Canada, and for forty-six years has been co-operating with the farmers in the Province in providing insurance at cost, plus the very small amount necessary for an adequate reserve. It is the only Mutual Company issuing a combined Fire, Lightning and Windstorm policy with Blanket Covering.

MELCHERS DISTILLERIES, LIMITED

BALANCE SHEET AS AT DECEMBER 31st, 1929

ASSETS

CURRENT:		
Cash	$ 46,903.84	
Accounts Receivable	147,711.14	
Inventories of Matured and Unmatured Spirits, Raw Materials, Manufacturing and Other Supplies	1,481,347.61	
		$1,675,962.59
FIXED:		
Land, Buildings, Machinery and Equipment at Replacement Values, as established by the Canadian Appraisal Company, Limited, under date of 27th November, 1928, with subsequent additions at cost, less reserves for Depreciation		1,524,275.14
TRADE MARKS, FORMULAE, PATENTS, GOODWILL, Etc.		1,555,200.00
DEFERRED CHARGES		52,482.98
		$4,807,920.71

LIABILITIES

CURRENT:			
Bank Loan	$ 200,000.00		
Accounts Payable and Accrued Liabilities	42,614.62		
Dividend Payable on Class "B" Shares	50,000.00		
			$ 292,614.62
CAPITAL:			
Class "A"— Authorized and Issued, 100,000 Shares of No Par Value.	$3,500,000.00		
Class "B"— Authorized and Issued, 50,000 Shares of No Par Value.	877,048.01		
			$4,377,048.01
PROFIT AND LOSS ACCOUNT:			
Net Operating Profit after deducting selling, administration expenses and providing for depreciation		390,100.93	
ADD: Miscellaneous Income		7,125.83	
		397,226.76	
Less Proportion Incorporation Charges		8,968.68	
Net Profit before providing for Federal Income Tax		388,258.08	
LESS: Dividends on—			
Class "A" Shares—Declared and paid	$200,000.00		
Class "B" Shares—Payable	50,000.00	250,000.00	
Balance at Credit 31st December, 1929, subject to Income Tax			138,258.08
			$4,807,920.71

Approved on behalf of the Board,
V. MARCHAND, Wm. G. POWER, Jr., Directors.
Montreal, 25th January, 1930.

To the Shareholders, Melchers Distilleries, Limited, Montreal:

We have audited the books and accounts and financial records of Melchers Distilleries, Limited, for the period from the inception of the Company—1st November, 1928—to 31st December, 1929—and have received all the information and explanations required by us.

The inventories, certified by responsible officials of the Company, have been accepted by us as the basis for drawing up the attached statements.

The reserves for Depreciation have been increased by an amount of $49,979.39 for the period.

No provision has been made for Federal Income Tax.

Subject to the foregoing, we certify that, in our opinion, the attached Balance Sheet as at 31st December, 1929, and relative Profit and Loss Account for the fourteen months ended the same date, have been drawn up so as to exhibit a proper view of the financial affairs of the Company and the results from operations for the said period, according to the best of our information, the explanations given to us and as shown by the books of the Company.

(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Take Drastic Measures to Purge Mining Exchange

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

New Rush is Started To Kamiskotia Area

SUMMER WILL SEE NICKEL'S CAPACITY UP TO 8,000 TONS

Estimate 1930 Earnings Should Approximate $2.85 Per Share

EXPANDING RAPIDLY

Earnings of $7 Per Share Are Looked For Within Next Two Years

The long term outlook for International Nickel continues to improve as each day brings the big expansion programme at Copper Cliff nearer completion. It is planned to have the new smelter plant, with its 30 roasters, five reverbatory furnaces and eight converters into operation by July. This plant will have a rated capacity of 6,000 tons of ore a day, but in the process of tuning up will probably be stepped up to the treating of 8,000 tons.

The first 4,000 ton unit of the 8,000 ton concentrator will probably be completed about the same time, and the second unit possibly by early fall.

The present Copper Cliff smelter has a capacity of from 4,000 to 4,500 tons a day, but it is thought some of the furnaces will be done away with when the modern equipment is placed in operation, and the capacity of the old plant possibly reduced to about 2,000 tons a day. The Conniston smelter has a capacity of over 2,000 tons a day.

The new copper refinery in which International Nickel retains a 40 per cent stock interest and which will operate as the Ontario Refining Co., will be completed about the same time as the new smelter. It has been designed with a rated capacity of 10,000 tons of refined copper a month, or about 250,000,000 lbs. yearly, a figure which under actual operating conditions may be increased by 50 per cent.

On completion of its programme International Nickel will therefore have a smelting capacity of from 10,000 to 12,000 tons, and a concentrating capacity of 8,000 tons.

Estimated 1930 Earnings

Those buying Nickel at the present time are banking on the increased earnings the additions to this plant will assure. One house in estimating earnings of the company for 1929 foresee $2.85 per share on the common stock, as compared to probable earnings of approximately $1.50 per share in 1929.

In arriving at this figure total tonnage for 1930 is placed at 2,800,000 tons. Assuming production from the Creighton, Levack and Garson mines is placed at 950,000 tons averaging $23.76 per ton, and 100,000 tons from the Frood averaging $35 to the ton, in the first six months 950,000 tons from the first three mines, and 800,000 tons from the Frood in the last six months, with the ore values unchanged.

Total gross earnings are placed at $76,644,000 and operating costs at $26,250,000, leaving total net earnings of $50,394,000, less taxes, depreciation, depletion, administration and general charges of $9,400,000, Leaving available for preferred and common dividend $40,994,000.

Long Term Outlook

Those looking at Nickel over a period of years, are banking on the company's ability to concentrate on the production of copper or nickel at will. The upper levels of the Frood, like those of the other mines of the company, average about four per cent nickel and two per cent copper. The lower levels of the Frood however carry a much higher copper content, and it has been estimated will probably average about eight to ten per cent copper, while the general average will be about five per cent copper and 2½ per cent nickel.

The Frood ore reserves have been estimated at 120,000,000 tons, which at the yearly rate of production of 3,000,000 tons would assure 40 years continuous production.

The precious metal content of the Frood ore it is thought will pay a substantial part of the cost of mining, smelting, refining, transportation and marketing, and when the company hits its stride in 1932 or 1933, it is estimated earnings of as high as $7 to $8 per share may be reasonably anticipated. The attaining of this figure will however depend to a large extent on the ability of the world consumers to absorb the large output of metal the company stands ready to supply, and the prices these metals will command.

Newbec Will Start Smelter Shipments

Shipments of ore from the Newbec property to the Noranda smelter will be started this month, an official of the company states. Good progress is now being made in installing the new mining equipment, which includes a new 500 cu. ft. compressor. This will permit the operating of four more machines. The enlarging of the compressor building to house the new equipment is now underway.

Sinking of a winze from the 250-ft. level has been started, and raises are to be put up from the 250 and 125 ft. levels. Ore shipments will be started as soon as the present preparations have been completed.

It is understood Newbec is also negotiating with the Canadian National Railway for a more favorable rate on ore shipments to Noranda.

Tashota Gold Mines Reports High Assays

Tashota Gold Mines operating in the Kowkash mining division reports assays taken across a width of ten feet six inches in the face of the west drift on the 200-ft. level, averaged $26.80 to the ton in gold.

The orebody was encountered at about 435 feet along the west drift from the cross-cut on the 200-ft. level, which in turn was driven about 200 feet to a point near the vein and carried along on one side of it.

The samples reported were taken in three sections as follows: 4.6 feet, $13.60; 3 feet, $44.80; 3 feet, $28.80; total 10.6 feet, average $26.80.

It is believed this is the orebody already intersected by diamond drill hole No. 4 which showed high values at approximately 30 feet above the drift level.

Report on Taku River Area Issued by B.C. Mines Dept.

A report on the Taku River Area, Atlin Mining Division, Northwestern Mineral Survey District, has just been issued by the British Columbia Department of Mines. The report describes in detail the important features of this mineralized area which is attracting much attention at the present time.

The chief properties under development at the present time are the Tusequah Chief, by the United Eastern Milling Co. of Los Angeles, and the Manville group by the Alaskan Juneau Gold Mining Co.

The department reports the discoveries and geology of the district indicate the area harbors low-grade base-metal ore bodies carrying appreciable values in gold and silver. The chief ore occurrences so far discovered are of a low-grade complex of copper, zinc, lead and iron sulphide mineralization.

EXPECT HOWEY TO START MILL IN NEAR FUTURE

All Efforts Are Directed Toward Preparing For Big Event

In the absence of President John E. Hammell from Toronto, there has been little news available on developments at Howey Gold Mines. This condition is but to be expected at the present time, however, as all efforts at the property are being devoted to preparing the mill and the mine for production. Ore pockets, box holes and stopes are being prepared underground, while the finishing touches are being given to the milling machinery in the new plant on surace.

Officials of the General Engineering Co., who are assembling the mill report that they hope to have the plant in operation by the middle of the month.

President Hammell's campaign to close out the short interests in Howey Gold Mine's stock is still in progress, and officials of the company report a good response is being had from holders of this stock on margin to register their names with the company. A record of all marginal holdings of the stock is being kept open at the office, and it is stated this practice will be followed until the present situation has been cleaned up.

Following the arrest of heads of leading mining brokerage houses, and the Howey stock was forced down to a low of 83 cents, but has since staged a comeback and has regained considerable of the ground lost during the uncertain condition of the market.

Waite-Ackerman Starts Crosscuts To New Bodies

From Our Own Correspondent

ROUYN—Crosscutting has been started at the 700-ft. level of the Waite-Ackerman-Montgomery mine to open up the three new ore bodies indicated by diamond drilling last summer. Drilling showed that the upper of the three bodies had an indicated length of over 200 feet. All three bodies were found to carry little zinc, low values and in gold, and high-grade copper.

Shipments of concentrating ore from the underground workings have been going forward to the Noranda smelter since December. High-grade shipments from the open cut workings were stopped with the coming of cold weather, but will be resumed in the spring.

Ore is being sent forward at the rate of 4,000 tons a month, but because of the difference in grade, profits are considerably lower than when the direct smelting ore was being shipped.

Sudbury Basin Report Held Up By Auditors

Sudbury Basin's annual report will be sent forward to shareholders as soon as auditors are available to complete preparations of the company's accounts. All available auditors are employed in the government investigation at the present time, but it is stated the report is ready for the printers once the auditors complete their work.

President Joseph Errington states that while no definite date can be fixed, he is hopeful that the report will be available in the near future, possibly within a week. Developments at the property he adds are continuing favorable, with drills operating in an easterly direction from set-ups on the ice of Vermillion Lake.

Fraud Charges Lead To Wholesale Arrest Of Mining Brokers

Principals of 5 Leading Toronto Mining Firms Are Involved

ISSUE 15 WARRANTS

Securities and Bank Accounts Seized and Government Auditors Begin Investigation

Heads of five of the largest mining brokerage houses in Toronto, were simultaneously arrested last week on instructions of the attorney-general of Ontario, Hon. W. H. Price. The brokers were arrested under warrants charging conspiracy to defraud, while certain of their employees were arrested as material witnesses.

Following the arrests the assets and accounts of Stobie, Forlong & Co., Arthur E. Moysey & Co., Homer L. Gibson & Co., D. S. Paterson & Co., and Solloway, Mills & Co., were seized by the attorney-general's department, and chartered accountants and auditors appointed by the government were immediately set to work to investigate their books, while the bank accounts of the same firms were closed and placed under contol of auditors. Later the books and assets were released although auditors remained in the offices.

The brokers arrested were: D. S. Paterson, president, Austin Compbell, vice-president and Edgar E. McLean, general manager of D. S. Paterson & Co.; James J. Heppleston, John W. Wray and W. T. Shutt of A. E. Moysey & Co.; Malcolm Stobie and Charles J. Forlong of Stobie, Forlong & Co., William J. Smart, and Maurice E. Young of Homer L. Gibson.

Employees held as material witnesses were Gordon Draper and Max Engles of Stobie, Forlong & Co. and George Kimmerley of Solloway, Mills & Co.

Warrants were also issued for the arrest of Isaac C. Solloway and Harvey Mills of the firm of Solloway, Mills & Co., who are now facing similar charges in Alberta, and for the arrest of John W. Wray of Moysey & Co. These warrants were not served as the accused were outside the province.

Charge Preferred

The specific charge preferred against the brokers was: "That they did conspire with one or more of the others or with some person or persons unknown by deceit or falsehood or other fraudulent means to defraud the public."

Conviction under this charge carries a sentence of up to seven years imprisonment.

Following their arrest the brokers were arraigned in the police court and remanded until February 6. All were allowed their liberty after providing bail to the amount of $100,000 each in the case of the brokers charged, and $25,000 in the case of employees held as material witnesses.

Withdraw from Exchange

Following the arrests of the brokers, traders of the five firms involved, and who held 14 out of the 51 seats on the Standard Exchange, at the request of the directors of the Exchange withdrew from the floor.

Stobie, Forlong Assigns

Further confusion was added to the situation by the firm of Stobie, Forlong & Co., making a voluntary assignment in bankruptcy. The creditors claims are placed at $63,000, while the brokers have declared assets of $75,000 cash in the bank.

N. L. Martin, chartered accountant, has been appointed custodian of the firm's affairs, and it has been stated that the assignment did not originate from actual lack of assets to meet obligations, but from a desire to have an impartial custodian administer the business of the firm while the charges are being settled.

After a two days' suspension of business, representatives of Solloway, Mills & Co., Ltd., A. E. Moysey & Co., Ltd., D. S. Paterson & Co., Ltd., and Homer L. Gibson & Co., Ltd., were permitted by the directors of the Standard Stock and Mining Exchange to resume trading on the Exchange.

In taking such action the directors in an official statement declared it was with the approval of the attorney-general.

The firm of Stobie, Forlong & Co., having made an assignment in bankruptcy, was debarred from trading, and Malcolm Stobie and Allan C. Hubbs, who held memberships on the exchange in behalf of this firm, were suspended. Mr. Stobie who resigned as a director of the Exchange was succeeded by Fred W. Macdonald, of F. W. Macdonald & Co.

Trading is Supervised

Under an agreement entered into by the firms concerned with the attorney-general's department, their trading on the Exchange will be conducted under government supervision, and on a strictly cash basis. G. T. Clarkson and George Edwards, chartered accountants are acting as supervisors on behalf of the government. Resumption of trading will not in any way affect the criminal prosecutions.

N. L. Martin, custodian for Stobie, Forlong & Co., in bankruptcy, has issued a notice "that in view of the assignment of this firm, it is impossible to make any trades, or make or receive any deliveries of stock for clients at the present time. Clients will be advised through the mails at the earliest possible moment." In the meantime the services of 200 or more employees of this firm have been temporarily dispensed with.

Manitoba Acts

In Manitoba the bank accounts of a number of unnamed brokers have been attached by the government, and province-appointed auditors have been appointed to investigate the books of a unmber of companies, other than the Winnipeg offices Stobie-Forlong-Mathews and Solloway, Mills & Co., an audit of whose books had previously been started.

Vancouver Bars Traders

At Vancouver, following a special meeting of members of the Vancouver Stock Exchange, orders were issued to traders representing Solloway, Mills & Co., and Stobie-Forlong-Mathews, to cease trading.

In Calgary, traders of Solloway, Mills & Co., were ruled off the floors of the local exchange.

In the meantime the principals of this firm, who are facing a charge of conspiracy in the Alberta courts, have been remanded until February 7.

The action of the firm of Stobie-Forlong & Co., of Toronto, in making a voluntary assignment has been followed by similar action on the part of Stobie, Forlong & Co., of Quebec, and by Stobie, Forlong, Mathews, with offices in Winnipeg, Moose Jaw, Saskatoon, Regina, Edmonton and Calgary. Securities and records of the firm have been seized by the governments of Alberta and Saskatchewan.

The license of this company to operate brokerage offices in Minnesota has been suspended.

It is also stated orders have been issued to discontinue work at the San Antonio Mine and the Turner Basin oil well, two developments financed by this firm.

Would Purchase Business

In the meantime it is stated that strong financial interests have offered to purchase the Stobie, Forlong & Co. business, and assume the liabilities, but N. L. Martin, the custodian states little can be decided regarding the offer until an audit of the books has been completed and the reports submitted to the creditors, which will probably require ten days' time.

Attorneys-General to Confer

A conference between the attorneys-general of Canada to discuss the stock market situation and to consider the enacting of uniform laws to govern future trading is proposed and will probably be held in the near future. Arrangements are now under way as to the date of the conference and a meeting at Toronto on February 10 has been suggested.

A report from Ottawa states that investigation of a mining property known as the Melnor, located near Abana Mines, has been completed by Col. W. W. Denison, Provincial Registrar of Brokers. The stock of this property was sponsored by Mowat & MacGillivray, members of the Standard Stock and Mining Exchange, and Montreal Curb market.

R. H. Mowat, is reported as stating that acting on Col. Denison's suggestion his firm is buying back all the stock, that had been sold, and purchases are almost completed. Action was taken following complaint of certain purchasers that they had not received a square deal.

According to Mr. Mowat, the company was capitalized at 3,500,000 shares of which only 125,000 were sold to the public, and the highest price at which the shares were sold was 25 cents.

Speaks for Solloway, Mills

The following statement has been issued by A. A. MacGillivray, K.C., chief counsel for Solloway, Mills & Co., and W. B. Farris, K.C., associate counsel, regarding the affairs of that company.

"Rumors have been current throughout Canada and on the stock exchange that Solloway, Mills & Co., Ltd., are contemplating going into voluntary liquidation, or that they may be forced into liquidation. Counsel states there is no question whatsoever but that the firm of Solloway, Mills & Co., Ltd., is solvent, and if the government intervention does not create an entirely new financial situation, the company will meet every single obligation to the public; and there is no thought of the company going into voluntary liquidation. It seems inconceivable that any steps would be taken to force into liquidation a company which is known to be solvent, and if any such steps should be taken, every effort will be made to resist the same."

Civil Suits Started

The criminal charges lodged against the so-called "Big Five" of the Standard Stock and Mining Exchange has been followed by a number of civil suits against several of the firms concerned.

In summing up the events that have transpired since his department took action against the brokers, Attorney-General Price stated this week, that the worst was over. In view of the fact that stocks on the Standard Exchange had moved in an upward steady swing, he expressed the belief that absence of panic in the public's reaction to recent developments augured well for the future.

Messrs. Clarkson and Edwards, chartered accountants, were compiling a report on the stock market regulations which would be ready in time for consideration at the conference of the attorneys-general of Canada to be held in Toronto in the near future, he added.

In the meantime trading on the Standard Stock and Mining Exchange, has returned to about the normal condition obtaining before the recent development. The market which showed hesitancy and weakness immediately following the arrests, has showed signs of underlying strength and several stocks, notably the golds, have moved upward.

Trading by the firms under investigation is being carried on under a cash basis. Some accounts are being paid up and taken away, but on the whole it is stated things are much as usual with no rush either to buy or to sell.

Important Stocks Set New Records

Consolidated Smelters hit a new low for the year, and the lowest mark since 1927 when it dipped to $220 per share during the past week. Noranda and Nickel, the two other ranking Canadian mining stocks, both moved to new high marks for 1930. Noranda selling up to $44, and Nickel to $39.75. Among the gold stocks, Lake Shore at $24, Dome at $8.45 and Hollinger at $5.80, and Teck-Hughes at $6.25 all established new high prices of the year.

The drop in Smelters is believed to be due to the low prices zinc and lead are commanding. Discovery of an important gold-bearing ore body at Noranda, and an improvement in the outlook for copper are credited with its rise, while pool operations are believed to have sent Nickel up.

Strength in the gold stocks is thought to be the forerunner of further improvement.

KIRKLAND LAKE'S PRODUCTION IN '29 WAS 53,595 TONS

Concentration on Deep Exploration Results in Heavier Costs

DISCOVER NEW VEINS

Plan Opening Up New Ore Bodies Encountered on Lower Horizons

Kirkland Lake Gold Mines milled 53,595 tons of ore from which gold to the value of $353,625 was recovered, or a yield of $6.60 to the ton, during the year ended December 31, 1929. The extraction amounted to 90.21 per cent of the gold content of the ore, which averaged $7.32 to the ton. Total cost of operation amounted to $430,767, and of this amount $187,000 was spent on exploration and development, but almost entirely on exploration.

The annual report shows a decline of over $60,900 in production, and 3,288 in tonnage, while costs advanced from $6.64 per ton to $8.02. This condition is explained by the statement of J. B. Tyrrell, managing director, that the work of the year consisted chiefly of downward exploration and, all other work of any kind was made secondary to this one main object.

What may be considered the outstanding development of the year was the encountering of a great mass of porphyry on the 2,600-ft. level, and the cutting of three gold-bearing veins in a width of 60 feet at about the 3,875-ft. level.

Acquire New Ground

Net working capital at the close of the year was $136,639, states D. B. Hanna, President, in his report. This is a reduction as compared with the previous year of $89,553, which includes provision for capital items, including plant, equipment, etc., totalling $14,748 and $74,804, being the balance of development account expenditures.

"The outstanding share capital of the company has been increased during the year by the issue of 239,123 shares," states Mr. Hanna, "which represent the purchase of the properties of Chaput-Hughes Mines, Ltd., and were issued on the basis of one share of your company for each 10 shares of Chaput-Hughes held by the public. This purchase has now been completed, and titles to approximately 125 acres less surface rights on seven acres, have been vested in your company."

Push Exploration

"The work of the year consisted chiefly of a downward exploration of your property," states J. B. Tyrrell, managing director, in his report. "All other work of any kind, however important it might appear to be, was made secondary to this one main object. In carrying out this plan the winze was sunk from a depth of 3,251 feet to a depth of 4,033 feet, or a vertical distance of 782 feet. The station at the 3,225-foot level was completed and stations were cut at 3,350, 3,475, 3,600, 3,750, 3,875 and 4,000-foot levels. The horizontal work consisted of 1,492 feet of cross-cutting and 3,712 feet of drifting, all of the latter, except that on the 3,875-foot level, being on the main fault plane.

"In addition to sinking, crosscutting and drifting, 1,322 feet of diamond-drilling was done on the 3,225-foot level, and 837 feet on the 3,600-foot level, 762 feet of this drilling on the 3,225-foot level having been done on behalf of the Chaput-Hughes Mines, Limited, in continuation of the work

(Continued on page 32)

Report New Rush Starts In Kamiskotia Area

The Sweet property in Kamiskotia recently optioned by Hollinger Consolidated Mines, is reported to be one of the biggest finds made in some years, according to reports coming down from the North Country. According to prospectors who have been on the property, the Sweet claims look like an even more promising bet than Hollinger's Jamieson claims at Kamiskotia Lake.

The property which was optioned by the Hollinger interests after inspection by John Knox, of the Hollinger engineering staff and Leo Timmins, is described as a big deposit of pyrrhotite with stringers of chalcopyrite running through it. Assays of sample specimens are said to have shown a high nickel and copper content, with the ore running about $28 to the ton and the copper and nickel values about evenly divided.

The property is located in Enid township at its juncture with Cote and Fortune Townships, about ten miles due west of Hollinger's original Kamiskotia claims, and is just on the dividing line between the Porcupine and Sudbury mining districts.

Two surface discoveries have been made and a diamond drill is now being sent in to put down a number of exploratory holes. It is said the drill will be kept operating until March and that if the ground stands up to the drilling, Hollinger is prepared to send in a big force of men and heavy machinery to give it a thorough trying out.

Bert Jamieson, a prospector with claims adjoining to the east, informs The Financial Post that samples which he took across big widths on the Sweet property in what he picked as medium grade ore, ran two per cent copper, 2.60 per cent zinc, two ounces in silver and 40 cents in gold. These samples were taken from a trench 12 feet deep.

Reports of the development have started a small rush into Kamiskotia and claims are being staked all about the discovery.

The Dominion Explorers are reported to have an engineer in sizing up the ground, and representatives of F. M. Connell are also reported to have examined the find.

It is too early as yet to form any idea of the importance of the new find, but the fact that Hollinger has seen fit to take the option would indicate that it at least has promise. A big find in Kamiskotia will do much to stimulate mining in the North Country. There are a number of properties staked in the last Kamiskotia rush which have been waiting for some move from Hollinger which reported $8,700,000 of copper ore on its Jamieson property in its last annual report. Development of this property has been held up pending the building of a railway into the section.

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Alberta Pacific Consolidated Oils Ltd.

Financial Position

This notice is placed with a view to bringing to attention of our clients some significant facts regarding the exceptionally strong financial position and attractive holdings of this Company. A series of articles will follow regularly, giving in detail important information regarding the true position of A. P. Con. Oils Ltd.

One of the greatest single factors determining success or failure in an organization is the condition of its finances. A.P. Con. is amply financed to carry out an aggressive and extensive drilling programme for several years ahead. Furthermore, this Company has had an average income for the last six months of approximately $700 per day on securities owned; plus substantial royalties on important structures now being drilled by other companies in Alberta.

Developments

The Company are now drilling their No. 1 and No. 2 well in Turner Valley adjoining the Home acreage, both being down over 5,000 feet and production expected within a short time. The bringing in of these wells would substantially increase A.P. Con.'s income, and would reflect very favorably of the market.

The Company holds a 12½% interest in the 320-acre lease of Vanalta Oils Ltd., who recently brought into production the discovery well of the Red Coulee area. Beside this interest. A.P. Con. also owns 2,600 acres on top of the Red Coulee structure, which has earmarks of becoming a large crude oil producer, badly needed in Canada.

Market Possibilities

This article is not written to capitalize on the heavy short interests in A.P. Con. throughout Canada at the present time, but only to show this Company's fundamentally sound position when thought is given to future developments of the oil industry in Alberta.

An interesting booklet covering a general report on A.P. Con.'s properties mentioned above, along with their holdings on fourteen other structures in Alberta, will be mailed on application to this office.

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NORTHERN CANADA REPORTS BIG DROP IN STOCK HOLDINGS

Market Value of Securities Down More Than $1,500,000

Northern Canada Mining Corporation Ltd. closed its fiscal year December 31, 1929, with a deficit amounting to $677. In presenting the annual report to shareholders, President D. B. Hanna states, however, that due to a reduction in expenditures during 1929, it is anticipated that income from dividends and interest during the current year will be more than sufficient to meet expenses.

The balance sheet shows a considerable depreciation has taken place in the corporation's market holdings. The book value of the listed stocks held is given as $2,027,084, of which the market value has depreciated as of December 31, 1929, to $1,157,705. This, as compared to investments carried at $1,729,867 at the end of the preceding fiscal year, with a market value of $2,849,420.

The greater part of this depreciation is credited to the change in market quotations on the shares of Kirkland Lake Gold Mining Co., although general market conditions have also affected market prices in other holdings of the corporation without however curtailing income received.

PROFIT AND LOSS ACCOUNT
Years Ending December 31

	1929 $	1928 $	1927 $
Income from divs. int. and profits on sales	16,386	......	......
Less: Net expense	17,063	8,404	6,530
Debit balance	677	8,404	6,530
Prev. debit bal.	......	113,174	106,644
Debit bal. for'd	......	*121,578	113,174

*Transferred to reserve account.

Howe Sound Earnings Show $236,000 Drop

According to the official report of the Howe Sound Co., a holding company operating among other mining property of the Britannia Mining and Smelting Co. of B.C., net income for the final quarter ended December 31, 1929, amounted to $703,474. This was after write-offs for expense and depreciation but before depletion and was equal to $1.42 a share on the 496,038 no par capital shares outstanding. This compares with $940,034 or $1.89 a share in the preceding quarter and with $754,513 or $1.52 a share in the corresponding quarter of 1928.

Net income for the year ended December 31, amounted to $3,662,474 before depletion or $7.38 a share on the outstanding capital shares, as against $2,649,067 or $5.34 a share in 1928.

A distribution of $1 per share, and an extra payment of 50c. on all 496,038 shares issued and outstanding, was made on January 15, 1930.

Shortage of power, necessitating curtailment of production and the material decline in the price of lead and zinc,—especially in the case of the latter,—accounts for the lower earnings of this quarter.

The following table sets out the comparative production figures and the income accounts for the 3rd and 4th quarters of 1929.

PRODUCTION

	Ounces Gold	Ounces Silver	Pounds Copper	Pounds Lead	Pounds Zinc
4th Quarter	3,574	711,895	11,190,782	15,552,546	7,910,310
3rd Quarter	3,541	837,002	10,722,368	19,656,418	12,905,413

FINANCIAL

	Fourth Quarter	Third Quarter
Value of metals produced	$3,387,588.46	$4,073,497.12
Operating costs	2,562,672.04	3,010,748.27
Operating income	824,916.42	1,062,748.85
Miscellaneous income	132,288.53	137,478.12
Total income	957,204.95	1,200,226.97
Less depreciation	253,730.76	260,192.94
Net income	$703,474.19	$940,034.03

ST. ANTHONY GOLD REPORTS PROGRESS

All operations during the year were successfully carried out on the property of the St. Anthony Gold Mines Ltd., and the satisfactory results accomplished by the development work lead to the belief that the mines have a promising future, shareholders are informed in the annual report of the company for the period ended Sept. 30th, 1929.

During the period under review 6,665 feet of development work was carried out including 150 feet of sinking, 500 feet of raising and winzing, 4,585 feet of drifting, and 1,430 feet of crosscuts.

Report Tashota Gold Values Running High

Later assay results indicate that an important gold orebody carrying high values has been encountered at the 200-foot level of Tashota Gold Mines, in the Kowkash mining division of Ontario. Average assays from the second round in "D" vein, recently opened by short crosscut about 435 feet west of the main shaft, are reported to show a full face of high grade ore. Sampled in three sections, values are reported to have run as follows: top, $96; centre, $34; bottom, $143. Samples are being shipped to the Toronto office of the company after each round.

Mining Stock Quotations

WEEK ENDING FEBUARY 3

Par Val.	Range 1930 High	Range 1930 Low	Company	Close Jan. 27 (or last)	High for week	Low for week	Close Feb. 3
$1	1.42	1.00	Abana	1.16	1.30	1.00	1.17
1	.09	.06	Aconda	.06	.08	.06	.07
None	.50	.32	Aladdin	.33	.33	.33	.33
1	*.17	.03	Albain M.	.04	....	....	....
.	.50	.40	Aldermac	.40	.50	.50	.50
1	.01	.01	Algonquin	....	.01	.01	.01
1	.19	.10	Amity C.	.17	.14½	.10	.14½
1	1.95	1.49	Amulet	1.71	1.90	1.49	1.75
.	*.90	.70	Anglo-Sudbury	.70	....	....	....
1	*.28	.03½	Ankerite	.03½	....	....	....
1	.01	.01	Apex	.01	.01	.01	.01
1	.09	.06	Area	.08	.07	.06	.06
1	.01¼	.00¼	Argo. Con.	.01	.00¼	.00¼	.00¼
1	.30	.20	Arno	.22	.27	.20	.23
1	.01	.00¼	Atlas	.01	.01	.00¼	.00¼
.	.03	.02½	Astoria	.03	.02½	.02½	.02½
1	.03½	.02¾	Baldwin	.08½	.03½	.03¼	.03⅜
1	.20	.12	Barry Holl.	.16	.17	.12	.15
None	3.65	3.00	Base Metals	3.16	3.35	3.00	3.25
None	.05	.03	Bathurst	.04	.04½	.04	.04½
.	5.90	4.60	B'Wana	5.60	5.75	4.60	4.60
1	.32	.25	Bedford	.28	.35	.26	.33
1	.11	.05	Bidgood	.07½	.07½	.05	.06
1	1.04	.60	Big Missouri	.85	.91	.60	.80
None	.01½	.00½	Boischatel	.00½	.00⅝	.00½	.00½
.	.05	.04	Bobjo	.04¾	.05	.04¾	.05
1	*.06¼	.04	Brett Trethewey	.04½	....	....	....
.	*.08	.05	Brit. Canadian	.05	....	....	....
None	.05	.01½	Brownlee	.04½	.05	.04½	.04½
1	.02¼	.01	Buckingham	.02¼	.02¼	.01	.01
None	.08	.04	Bunker Hill	.05	.04½	.04	.04
1	*.35	.03	Cambro	.03	....	....	....
None	*.14	.09	Cal. Flin Flon	.09	....	....	....
None	.65	.53	Canam Metals	.60	.63	.53	.53
.	.08	.02½	Can. Kirk	.02½	.08	.02½	.08
1	.03½	.03½	Can. Lorraine	.03	.03½	.03½	.03½
1	.02	.01¼	Capitol R.	.01¼	.02	.01¼	.02
1	.04¼	.04¼	Capitol S.	.04¼	....	....	....
1	.28	.15	Castle Tre.	.18	.20	.18	.18
1	.29	.22	Cen. Man	.27	.26	.22	.22
.	.30	.22	Cen. Patricia	.27	.28	.22	.22
.	.14	.05	Champion Reef	.10	.10	.09¼	.09¼
1	.06	.05½	Chaput H.	.06	....	....	....
.	1.05	.80	Chib. Pros.	.98	.93	.98	.98
None	.07	.05	Clericy	.05	....	....	....
5	18.50	10.00	Coast Copper	18.00	18.50	16.00	16.00
1	.09	.05	Cobalt Con.	.06½	.08	.06½	.08
1	.00¾	.00½	Col. Kirk	.00¾	.01	.00½	.01
1	1.00	.32	Columario	.86	.92	.60	.60
5	1.40	.90	Coniagas	1.35	....	....	....
5	.60	.50	Coniaurum	.60	.50	.50	.50
25	265.00	222.12	Cons. Smelters	250.00	250.00	220.12	226.00
1	.01½	.01¼	Corona	.01½	.01½	.01¼	.01½
1	.02	.01¼	Crown Res.	.02	.02	.02	.02
None	.39½	.15	Dom. Explor.	.35	.34	.29	.30
None	8.45	7.00	Dome Mines	8.40	8.35	7.60	8.15
1	.01¼	.00½	Dom. Kirk	.00½	....	....	....
1	*.12	.01	Don. Rouyn	.02	....	....	....
1	.05	.01	Dunkin	.04	.02	.01	.01
1	*.60	.55	Duthie	.56	....	....	....
1	.04	.02	Duprat	.02	.03	.02	.02
.	*.04	.04	Elstone	.04	....	....	....
None	.04	.03	Engineers Hold.	.04	.03	.03	.03
1	.01	.00½	Everett	.00½	.01	.00½	.01
1	6.50	4.30	Falconbridge	5.50	5.70	4.35	5.30
1	.02	.01	Federal Kirk	.01	....	....	....
.	.05½	.04	Flintoba	.04½	.05	.04	.04
5	*6.25	4.00	Franco Can. Gen.	4.00	....	....	....
1	*2.00	1.75	Do., Def.	1.75	....	....	....
None	.24½	.14	Gem Lake	.24½	....	....	....
1	4.50	2.90	George Cop.	3.75	3.70	2.90	3.50
None	.07	.02	Gilbec	.08	.07	.02½	.06
1	.95	.75	Golconda	.86	.88	.75	.80
1	.03	.02½	Goldale	.03	....	....	....
.	.57	.51	Goldfield	.54	.52	.52	.52
1	.01	.00½	Gold Hill	.00½	.00½	.00½	.00½
1	.00¼	.00¼	Gold Reef	....	.00¼	.00¼	.00¼
1	.04	.03	Goodfish	.03	.04	.03	.04
1	.03½	.02	Graham	.03	.03	.02½	.03
50c.	.17½	.10	Grandview	.11½	.15	.10	.15
1	.22	.11	Granada	.17	.17	.14	.15
1	.01	.01	Grover Daley	.01	....	....	....
1	.03	.01¼	Harker	.02½	.02½	.01¼	.01¼
None	*.06	.01	Harvie Exp.	.04½	....	....	....
1	.18	.18	Hayden	.18	....	....	....
1	.01	.00½	Hilltop	.01	.00½	.00½	.00½
5	5.80	4.90	Hollinger	5.80	5.75	5.15	5.55
1	1.40	.80	Howey Gold	1.21	1.23	1.00	1.10
None	12.30	8.60	Hudson Bay	11.75	12.30	11.00	11.75
1	.09	.02	Indian	.02	....	....	....
None	39.00	31.25	Int. Nickel	37.75	39.75	37.12	38.75
1	.03½	.02¼	Jackson M.	.02½	.02½	.02½	.02½
1	.40	.31	Keeley	.33	.40	.31	.40
1	*.03	.00½	Keora M.	.02½	....	....	....
1	*.01	.00½	King Kirk	.00½	....	....	....
.	*.07	.02½	Kirk Townsite	.07	....	....	....
1	.01¼	.00½	Kirk Hunt	.00¾	.01	.01	.01
1	.84	.50	Kirk Lake	.77	.84	.65	.80
1	.02	.01	Kirk Prem.	.02	.01½	.01	.01¼
20c.	.08	.04	Koot. Flor.	.06½	.08	.04	.05
25c.	.07	.05	Koot. King	.05¼	.05	.05	.05
.	*.84	.50	Lake Geneva	.50	....	....	....
1	23.80	19.00	Lake Shore	21.90	23.80	21.00	23.75
1	.04	.02	Laval	.03	.04	.02	.02
1	.02	.01	Lebel Ore	.02	....	....	....
1	.00½	.00¼	Lorraine C.	.00¼	....	....	....
10c.	.08	.08	Lucky Jim	.08	....	....	....
1	.13	.08	Macassa	.10	.12	.10	.10
1	.07	.04	Malartic	.06	.06	.04	.04
None	.35	.25	Mandy	.27	.30	.25	.27
None	.17	.10	Man. Basin	.14	.14	.10	.11
1	.01½	.00½	Marriott	.01	....	....	....
1	.28	.21	McDougall	.28	.30	.22	.29½
1	.60	.30	McKinley	.35	.50	.47	.50
5	18.00	15.05	McIntyre	18.00	17.75	16.50	17.50
.	*.50	.20	McMillan	.35	....	....	....
.	*.35	.23	McVittie	.28	....	....	....
1	*.03	.00⅛	Millcrest	.01¼	....	....	....
5	3.10	2.53	Mining Corp.	2.95	3.00	2.53	2.85
1	.01½	.01½	Mint Ore	.01½	....	....	....
1	.04½	.03	Moffatt Hall	.04	.04	.03	.03
1	.04	.03	Moneta	.04	.04	.03	.03
1	.07	.05	Montreal R.	.06	.07	.05	.05
25c.	*.08½	.03½	Mort. Woolsey	.04½	....	....	....
1	.50	.28	Moss	.50	....	....	....
1	.02¾	.01½	Murphy	.02½	.02¼	.01¼	.01¼
1	.26	.17	Newbec	.23	.24½	.20	.24
1	.03	.03	Night Hawk	.03	.03	.03	.03
5	1.80	1.50	Nipissing	1.75	1.80	1.65	1.75
50c.	.40	.20	Noyle Five	.31	.31	.20	.22
None	44.00	34.75	Noranda	39.00	44.00	38.50	41.35
.	.42	.32	Nor. Canada	.40	.42	.40	.42
None	.07	.04	Old Colony	.06	.06	.04	.05
50c.	.13	.09½	Oregon Cop.	.13	.13	.11	.12
.	*.29	.15	Oriole	.21	....	....	....
.	.30	.25	Osisko	.30	.30	.26	.30
.	.06	.05	Patterson Cop.	.05	....	....	....
1	.03	.02⅛	Pawnee Kirk	.02¼	.02¼	.02⅛	.02⅛
1	5.15	2.78	Pend. Ore	4.05	4.30	3.00	3.90
1	.18	.09	P. L. Cobalt	.12	.15	.10	.10
1	.01½	.00½	Picard	.00½	.01½	.00¾	.01
1	.20	.17	Pioneer	.19	.19	.17	.19
1	.01½	.01	Porc. Crown	.01½	.01	.01	.01
1	.01½	.00¾	Porc. Keora	.01½	....	....	....
50c.	*.82	.33	Porter Idaho	.48	....	....	....
None	.03¼	.01¼	Potter Doal	.03	.03¼	.02¼	.02¼
1	1.60	1.45	Prem. Gold	1.53	1.55	1.45	1.50
1	*.03	00.¾	Preston	.01	....	....	....
.	.70	.50	Quemont	.60	.55	.55	.55
None	1.78	1.00	Reeves McD.	1.27	1.25	1.00	1.16
.	*20.00	16.50	Rhodesian	20.00	....	....	....
1	.02½	.01	Ribago	.01	.01	.01	.01
1	.03½	.03½	Ritchie	.03½	.03½	.03½	.03½
.	.04	.02	R. Montbray	.02	.04	.03	.03
1	.25	.10	Ruth Hope	.17	.16	.10	.12
1	.02	.02	Salmo Mal.	.11	.02	.02	.02
None	.20	.12	San Antonio	.17	.19	.12	.14
.	*.68	.67½	Seven Troughs	.67½	....	....	....
1	3.50	2.60	Sherritt G.	2.96	3.15	2.60	2.94
1	.75	.41	Siscoe	.46	.49	.41	.47
25c.	*.33	.05	Slocan Ramb.	.10	....	....	....
50c.	.26	.12	Snowflake	.17½	.17½	.14	.17
1	.02½	.02½	So. Keora	.02½	....	....	....
None	.05	.03½	Stadacona	.04	.05	.03½	.05
1	.18	.08	St. Anthony	.14	.14	.10	.10
None	5.35	2.90	Sud. Basin	4.30	4.90	3.50	4.75
1	.01	.00½	Sudbury M.	.01	.01	.00½	.00½
1	.05	.02	Sud. Contact	.02	.05	.02	.02
1	.95	.95	Sunloch	.95	....	....	....
1	1.02	.42	Sylvanite	.72	.73	.60	.65
.	.20	.10	Sudbury N.	.20	.15	.15	.15
1	.22	.09	Tashota	.15	.22	.18½	.20
1	6.00	4.70	Teck Hughes	5.75	6.05	5.45	6.00
1	.13	.09	Telluride	.12	.09½	.09	.09
1	.12	.08	Thom. Cad'c.	.12	.12	.10	.10
1	.02	.02	Temiskaming	.02	....	....	....
50c.	.06	.04	Topley	.05	.05½	.04	.05
1	*2.50	.80	Toric	.80	....	....	....
1	.02	.01	Tough Oakes	.01¼	....	....	....
1	.90	.70	Towagmac	.80	.90	.70	.75
1	6.50	5.75	Treadwell Y.	6.50	7.00	6.00	7.00
None	.03½	.03½	United Algoma	.03½	....	....	....
.	3.50	2.15	Ventures	2.81	2.81	2.15	2.65
1	.80	.60	Vipond	.73	.75	.60	.71
None	4.65	3.20	Waite Ack.	3.75	4.65	3.80	4.65
.	*.10½	.10½	Walsh Kat.	.10½	....	....	....
1	.02	.01	West D. Lake	.01¼	.03	.01½	.01¼
.	.07	.03	West Tree	.06	.05	.04	.04
1	1.00	.40	White Lake	.78	.77	.70	.70
1	.24	.20	Whitewater	.20	.20	.20	.20
1	.04	.02	Wiltsey	....	.04	.02	.04
None	.01¼	.00½	Windfall R.	.01	.01	.00½	.01
None	*.08	.02½	Woodbine	.04½	....	....	....
.	.03	.03	Wood Kirk	.03	.03	.03	.03
None	2.00	1.35	Wright-Har.	1.83	1.95	1.60	1.90
			WESTERN OIL STOCKS				
1	.70	.25	Acme	.35	.33	.25	.25
1	2.10	2.00	Admiral	2.00	....	....	....
None	8.00	7.05	Advance	7.50	8.00	7.50	7.50
.	1.25	1.00	Advance New	1.25	....	....	....
1	*2.75	1.49	Alta. Pac.	2.30	2.39	1.60	2.25
.	*.04	.04	Alta. Pet. Can.	.04	....	....	....
1	*.35	.35	Anaconda	.35	....	....	....
None	2.00	.95	Associated	1.50	1.50	.95	1.48
1	2.60	1.15	Ajax	2.12	2.60	1.15	1.65
None	1.60	.70	Baltac	1.13	1.15	.70	1.10
1	.74	.55	Brit. Dom.	.66½	.66	.55	.65
.	*2.10	1.50	Cameron Pete.	1.72½	....	....	....
1	2.50	1.06	Calmont	2.20	2.25	1.35	1.85
None	3.90	1.89	Calgary & Ed.	2.75	2.75	1.97	2.55
1	1.00	.43	Comm. Pete.	.70	.65	.50	.60
.	*.34	.34	Commercial	.34	....	....	....
None	.25	.25	Cypress	.10	.25	.25	.25
1	.50	.45	Dallas	.45	.50	.50	.50
None	3.50	.90	Dalhousie	2.45	2.40	.90	2.25
None	.25	.15	Devenish	.20	.23	.18	.18
None	.26	.20	Dome Oil	.26	....	....	....
None	1.35	.85	E. Crest	1.19	1.20	.85	1.01
None	*.37	.35	Exchequer	.37	....	....	....
1	.08	.05	Fabyan Pete.	.08	.07½	.07½	.07½
None	2.50	1.40	Foothills	1.90	1.90	1.75	1.80
None	1.00	.61	Freehold	.76	.80	.62	.70
1	.20	.10	Great West	.15	.11	.10	.11
None	1.40	.98	Hargal	1.35	1.40	1.05	1.27
None	.45	.35	Herron Pete.	.45	.42	.42	.42
1	.65	.35	High River	....	....	....	....
5	.50	.50	Highwood Pete.	.50	....	....	....
None	.26	.16	High Sarcee	.24	.24	.21	.24
None	11.90	8.00	Home	11.40	11.90	8.25	10.75
None	.80	.46	Homestead	.66	.66	.46	.53
1	.55	.30	Ill. Alta	.43	.45	.34	.44
None	2.05	1.50	Lowery	1.50	1.80	1.75	1.75
1	.20	.12½	Madison	.15	.15½	.12½	.13½
1	3.25	1.50	Mayland	2.15	2.20	1.50	1.75
None	.41	.21	McD.S.Ex.of Can.	.28	.28	.21	.26
1	1.10	.72	McD. S. N.	.92	.90	.72	.77½
1	5.90	2.20	McLeod	3.85	3.75	2.60	3.25
None	.87	.46	Mercury	.67	.69	.46	.60½
None	1.05	.30	Merland	.75	.70	.30	.50
1	.42	.31	Mid West	.32½	.34	.33	.33
None	2.10	.70	Mill City Pete	1.85	1.50	.70	1.10
1	.45	.33	Model	.44	.45	.33	.37
1	.23	.23	Moose M.	.23	....	....	....
1	.10	.10	New Federal	.10	....	....	....
1	*.85	.30	New Valley	.40	....	....	....
None	1.69	.70	Nordon	1.33	1.35	.70	1.14
None	*.68	.25	Oil Select	.34	....	....	....
None	2.10	1.10	Okalta	1.35	1.55	1.10	1.40
100	45.00	40.00	do. pref.	42.00	42.00	42.00	42.00
1	.17	.14	Petrol	14½	.17	.17	.17
.	14.00	12.00	Prairie C.	12.00	....	....	....
None	.43½	.33	Ranchmen's	.37	.40½	.33	.40½
1	.45	.20	Regent	.33	.33	.28	.30
None	.48	.29	Richfield	.36	.37	.29	.32
None	65.00	43.00	Royalite	55.00	52.00	43.00	48.00
1	1.46	1.15	Sarnia Oil	1.35	1.45	1.15	1.29
1	*1.00	1.00	Sentinel	1.00	....	....	....
1	*1.25	.90	Sioux City	.90	....	....	....
1	.20	.15	Signal Hill	.16	.17	.15	.16
1	1.30	.49	Spooner	.77	.75½	.54	.70
None	2.10	.88	So. West Pete.	1.55	1.55	.88	1.23
None	1.00	.42	Sterling Pac.	.68	.70	.42	.60
None	.68	.66	Sunlight	.68	....	....	....
1	.60	.40	Turner Valley	.45	.42	.40	.40
None	1.65	.71	United	1.16	1.16	.75	1.02
1	.80	.30	Vulcan	.65	.67	.55	.66
None	.15	.06	Wainwell	.09	.10	.06	.09
1	1.75	1.00	Waite Valley	1.65	1.25	1.00	1.11

*Quotation for 1929. No sales recorded in 1930 to date.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Bunker Hill	75c.	....	McIntyre	$1	5.71
Canam Metal	2c.	....	Mining	25c.	....
Cons. Smelters	$12.50	5.53	Nipissing	30c.	17.14
Dome Mines	$1	12.26	Noble Five	6c.	....
Hollinger	65c.	11.71	Noranda	$3	7.25
Home Oil	40%	....	Premier	24c.	16.00
Inter. Nickel	$1	2.57	Royalite	25c.	....
Lake Shore	$1.20	5.05	Teck Hughes	60c.	10.00

GEM LAKE MINES IS ENCOURAGED BY RECENT WORK

Report Three Neat Veins All Carry Commercial Values

Recent developments on the Gem Lake Mines property in the Central Manitoba mining district have resulted in opening up three new ore shoots. One on the No. 2 vein on the 375-ft. level west; one on the No. 2 vein on the 500-ft. level west, and an entirely new vein known as the Shaft vein on the 500-ft. level, 124 feet west of the shaft.

On the 375-ft. level No. 2 vein is reported to show ore 4.4 feet wide with an average grade of $8.20. This is believed to be the extension downward of the high grade ore shoot developed on the 250-foot level, which gave 146 feet of $44 over 3.5 feet.

No. 2 vein on the 500-foot level has just been exposed by a slash. The width of the vein is not yet determined, but about a foot exposed gave a result of $19.20.

Is Milling Ore

On the shaft vein at the 500-foot level, milling ore has been opened up for a distance of 71 feet with an average value of $14.69 over 3.5 feet. The last 24 feet of this shoot has an average value of $31.89 over 4.2 feet, while the present face is six feet wide of a much higher grade. This body has not been opened up on the higher levels, and crosscutting has been started to cut this vein on the 375-foot level, and it is also the intention to cut in on the 250-foot and 125-foot levels.

Say Dome Gold Has Decided to Build New Mill

Dome Gold Mines has definitely decided on the construction of a new 1,500 ton mill to replace that destroyed by fire last October, The Financial Post learns from a reliable source of information. No official statement has yet been made in regard to mill construction, however, and the announcement will probably await the publishing of the annual report, which will appear early in March.

It is believed the recent strength evidenced in Dome Gold shares has been due to accumulation founded on either a knowledge or belief that mill construction was assured.

Because of its strong financial position, its dividend assurance fund, and the manner in which the mine has responded to development work during the past year, Dome is looked on with favor by many.

Decision of the directors to build a new mill, insurance to the amount of $760,000 having been recovered for the loss of the old one, would indicate that Manager DePencier's estimate of "at least two years ore ahead of the mill," is a conservative one and that the probabilities of a number of years of profitable operation are looked forward to.

KIRKLAND LAKE'S PRODUCTION IN '29 WAS 53,595 TONS

(Continued from page 31)

done for that company in 1928 on the 2,850-foot level. New stopes were opened on the 2,850, 2,975 and 3,600-foot levels. The total quantity of ore and rock raised during the course of this work was 81,363 tons, in addition to which 5,854 tons of rock were dumped underground in the old stopes.

Power Costs High

"Our total cost of operation was $430,767.29, and of this amount $187,000 was spent on exploration and development, but almost entirely on exploration," states Mr. Tyrrell. "The heaviest single item of our cost was electric power which amounted to a total of $55,700.04, or $1.04 per ton milled.

PROFIT AND LOSS ACCOUNT
Years Ended December 31

	1929 $	1928 $	1927 $
Rents received	1,271	1,313	1,430
Interest received	7,348	7,916	4,785
	8,619	9,229	6,215
Add: Prev. deficit	168,938	178,167	184,382
Def. to bal. sheet	160,319	168,938	178,167

DEVELOPMENT ACCOUNT
Years Ended December 31

	1929 $	1928 $	1927 $
Bullion produced	353,625	414,597	473,673
Less: Op. for yr.	412,303	365,037	341,249
Administration	18,464	18,282	18,893
Oper. earnings	*77,142	31,276	113,531
Add: Oth. receipts	......	......	914
Total oper. earn.	*77,142	31,276	114,445
Add: Prev. debit	548,451	579,728	694,173
Debit to bal. sheet	625,593	548,452	579,728

*Debit.

MINING CORP. FINDS NEW ORE BODIES IN OLD WORKINGS

Still Has Considerable Mill Ore With Some High-grade at Cobalt

The Mining Corporation of Canada for the quarter ended December 31, 1929, produced 267,897 ounces of silver, as compared to 282,403 ounces in the preceding quarter. While the tonnage sent to the Cobalt Reduction Mill was somewhat less than in the previous quarter, the heads were higher, being 21.8 ounces.

In submitting the quarterly report to shareholders, J. P. Watson, president of the company, states:

"Production has come, as in the past from the Townsite, City, Buffalo and McKinley Darragh. In the latter mine the area referred to in the last report has come up to expectations and still has a considerable tonnage of mill-ore with some high-grade. Careful examination of the old workings of the Buffalo and Nancy Helen properties has put in sight much ore overlooked by the former owners. This is now being put in shape for extraction and will be a large factor in the tonnage for the next quarter."

Mining Enquiries

Amulet

In a statement from my broker during the low market in November, which asked for more margin, no credit or value was given me for my Amulet stock. Could you explain why this should be? I hold Sherritt-Gordon, Teck Hughes and Kirkland Lake.

It would seem that if your broker sold you Amulet on margin, you might expect him to carry it on margin. There is no set rule in regard to this, however, and brokers reserve the right to refuse credit on any stock.

The banks do not give credit for a great many of the mining stocks and it is therefore not surprising that such action was taken.

Sherritt-Gordon

I am carrying 400 shares of Sherritt-Gordon which cost me $6.75 a share. As I bought this stock on margin and am not in a position to put up any more money I should like to know if I would better my position by selling Sherritt-Gordon and buying Vipond, Howey or Mining Corporation. Could you suggest any switch I could make which would better my position?

In the light of your circumstances we think you would be well advised to diversify your holdings and we consider the dividend paying gold stocks at present prices are in a very attractive position.

Howey is about to enter into production and the future outlook for this property is bright.

Mining Corporation is a dividend paying stock, and in the light of its strong financial position, its experienced management, and its diversified stock holdings offer considerable promise, notwithstanding the fact that the future life of its Cobalt property is uncertain.

Teck-Hughes

What is your opinion of the shares of Teck-Hughes Mine?

Teck-Hughes is one of the outstanding dividend-paying gold stocks of Ontario. The company has a background of successful management and increasing production behind it and its future outlook appears promising.

La Rose Rouyn

Please give me as full information about La Rose Rouyn Mines. I understand it was once a big producer of silver.

The La Rose Rouyn Mines has a capitalization of 3,000,000 shares of no par value, all of which are issued. It is the successor of the La Rose Mine, one of the early Cobalt producers. The company's properties include 359 acres at Cobalt, a mining claim near Noranda, and 11 claims at Bell River east of Rouyn.

No annual report has been published since 1925, the company in that year had $34,910 current assets against $42,825 current liabilities. The treasury is said to be in a fairly satisfactory position and in view of the high price at which cobalt is now selling an endeavor is being made to secure sufficient finances from the shareholders to resume operations on the Cobalt property. We are informed by the secretary of the company that a good response is being met with, and that it is hoped to start work in the spring of 1930.

Hudson Bay

What are the indicated ore tonnages and values of Hudson Bay Mining and Smelting Company? What operating profit is expected from the ore?

According to an official estimate of the Hudson Bay Mining and Smelting Company, 18,000,000 tons of ore averaging after dilution, 1.71 per cent copper, 3.45 per cent zinc, .074 ozs. gold, and 1.06 ozs. silver per ton have been indicated by development work to date.

The company is now engaged in the construction of a 3,000 ton smelter and it estimates operating profits before depreciation of $3.50 per ton based on the following metal prices: copper, 15c.; zinc, .06c.; silver, .50c. per oz. will be secured with the mill operating at its annual capacity.

Teck Earns Dividend And Adds to Surplus

Following the lead set by several other of the important gold mines of Ontario, Teck-Hughes Gold Mines, Ltd., has inaugurated the practice of issuing a quarterly report. The company's action will do much to offset any uneasiness that may have arisen in the minds of some of its shareholders as to the progress being made by the company.

In an interim statement of estimated earnings and surplus for the first quarter of the company's fiscal year, ended November 30, 1929, Teck-Hughes reports gross income of $1,353,028 as against total operating costs of $515,554, leaving net earnings of $837,474. After deducting $64,183 for estimated taxes, and $53,986 for estimated depreciation, estimated surplus is placed at $719,305.

Earns Dividend

The question of whether Teck-Hughes has been able to earn its quarterly dividend requirement is thus definitely set at rest by the report which shows in estimated surplus of $719,305 as compared to quarterly dividend requirements of $712,072, representing a payment of 15 cents a share on the 4,747,144 shares outstanding. The surplus of $7,232 over and above dividend requirements and deductions for depreciation and taxes is understood to be the first quarter such a profit has been secured in over 15 months.

If production figures for the next fiscal year are sustained at the same rate, gross income from production would amount to $5,412,111 as compared to $4,889,127 secured in the company's fiscal year ended August 31, 1929, an increase of over $500,000. If the same ratio of costs is maintained to the end of August 1930, these will total $2,062,212, or a decrease of $115,544.

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GILLESPIE, HART & CO. LTD.
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Members Victoria and Vancouver Stock Exchanges
Victoria, B.C.
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Pressure treated Forest Products
lumber, paving blocks, highway posts, poles, fence posts, mine timbers, culverts, piling and ties.
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